

A photograph of a Marion County Fire Rescue truck at night. The truck is red and white, with its emergency lights flashing. A blue aerial ladder is extended upwards. The truck has "MARION COUNTY FIRE RESCUE" written on the side. The background is dark, suggesting a night scene.

Marion County, Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2018

SECTIONS

Introductory

Financial

Statistical

Compliance

Supporting Financial
Statements

MARION COUNTY, FLORIDA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
September 30, 2018**

*Prepared by:
Finance Department
Office of the Clerk of
the Circuit Court
and Comptroller*

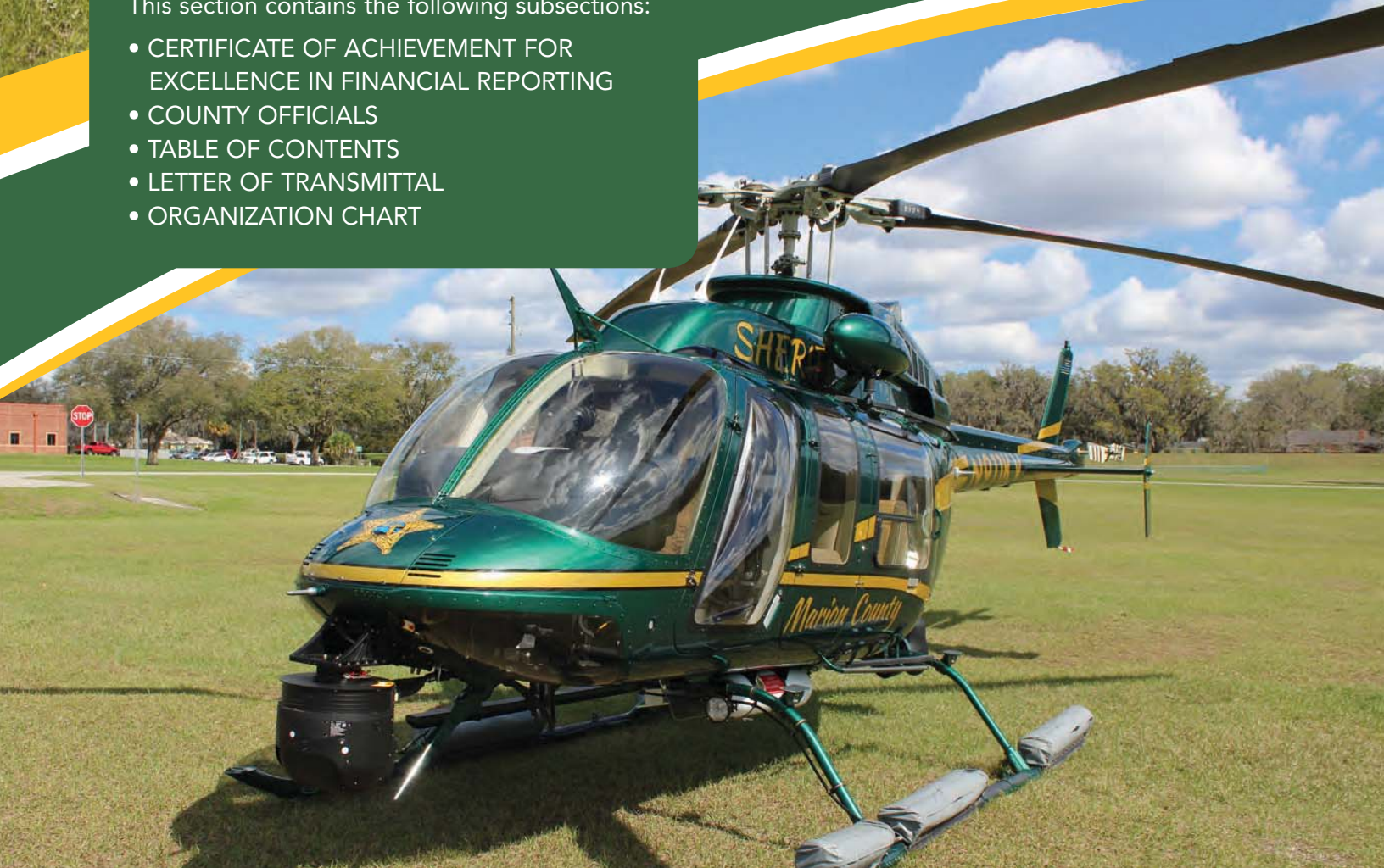




INTRODUCTORY SECTION

This section contains the following subsections:

- CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
- COUNTY OFFICIALS
- TABLE OF CONTENTS
- LETTER OF TRANSMITTAL
- ORGANIZATION CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Marion County
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

**MARION COUNTY, FLORIDA
COUNTY OFFICIALS**

BOARD OF COUNTY COMMISSIONERS

Kathy Bryant Chairman – District 2
Michelle Stone Vice Chair – District 5
David Moore Commissioner – District 1
Jeff Gold Commissioner – District 3
Carl Zalak, III Commissioner – District 4

ELECTED COUNTY OFFICERS

David R. Ellspermann Clerk of the Circuit Court and Comptroller
Villie M. Smith Property Appraiser
Billy Woods Sheriff
Wesley Wilcox Supervisor of Elections
George Albright Tax Collector

**MARION COUNTY, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2018**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Certificate of Achievement for Excellence in Financial Reporting	i
County Officials	ii
Table of Contents	iii
Letter of Transmittal	vii
Organization Chart	xiii

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	18
Statement of Activities	19
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - General Fund	28
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – MSTU for Law Enforcement	29
Budget and Actual – Silver Springs CRA Trust Fund	30
Budget and Actual – Fire, Rescue & EMS	31
Statement of Net Position – Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Statement of Fiduciary Assets and Liabilities – Agency Funds	37
Statement of Net Position – Component Units	38
Statement of Activities – Component Units	39
<i>Notes to the Financial Statements</i>	40

Required Supplementary Information:

Other Postemployment Benefits:

Schedule of Changes in Total OPEB Liability and Related Ratios 78

Retirement Benefits:

Schedule of Proportionate Share of Net Pension Liability 79

Schedule of Contributions 80

Other Supplementary Information:

Budgetary Comparison Schedule:

Budget and Actual – Infrastructure Surtax Capital Projects..... 82

General Fund:

Combining Balance Sheet – General Fund by Category 84

Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balance – General Fund by Category 86

Combining Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual - General Fund 88

Non-Major Governmental Funds:

Combining Balance Sheet – All Nonmajor Governmental Funds 108

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances – All Nonmajor Governmental Funds 109

Combining Balance Sheet - Special Revenue Funds 110

Combining Statement of Revenues, Expenditures, and Changes in Fund
Balances – Nonmajor Governmental - Special Revenue Funds 116

Budgetary Comparison Schedules - Special Revenue Funds:

Fines and Forfeitures 122

80% Gas Tax Construction 123

20% Gas Tax Construction 124

County Transportation Maintenance Fund 125

Sidewalk Construction 126

Dunnellon Airport 127

Alcohol and Drug Abuse Trust Fund 128

2nd Local Option Fuel Tax 129

Marion County Health Department 130

Criminal Justice Court Costs 131

Law Enforcement Trust 132

Sheriff’s Educational 133

911 Management 134

Building Department 135

Tourist Development 136

Parks and Recreation Fees 137

Local Housing Assistance Trust 138

Medical Examiner 139

Impact Fee Ordinance Trust – Districts 1-4 140

Impact Fee Trust Fund – East & West Districts 144

Rainbow Lakes Estates MSD 146

Rainbow Lakes Estates Fire Protection 147

Marion Oaks MSTU 148

MSTU/MSBU for Road Improvement Special Assessments – All Funds 149

Silver Springs Shores MSTU 150

MSTU/MSBU for Recreation Special Assessments – All Funds 151

MSTU for Street Lighting Special Assessments – All Funds 152

Fire Rescue Impact Fees 153

Stormwater Program 154

MSTU/MSBU for General Services Special Assessments – All Funds 155

Clerk of the Circuit Court Trust Fund	156
Combining Balance Sheet–Nonmajor Governmental–Debt Service Funds	158
Combining Statement of Revenues, Expenditures, and Changes Fund Balances –Nonmajor Governmental - Debt Service Funds	162
<i>Budgetary Comparison Schedules – Debt Service Funds:</i>	
Parks and Land Acquisition Debt Service	166
Infrastructure Surtax Debt Service	167
Public Improvement Transportation Debt Service	168
Special Assessment Bonds, Series 2007B	169
Special Assessment Bonds, Series 2008B	170
Special Assessment Bonds, Series 2009A	171
Special Assessment Bonds, Series 2010A	172
Special Assessment Bonds, Series 2011A	173
Special Assessment Bonds, Series 2012A	174
Special Assessment Bonds, Series 2013A	175
Special Assessment Bonds, Series 2014A	176
Special Assessment Bonds, Series 2015A	177
Special Assessment Bonds, Series 2016A	178
Special Assessment Bonds, Series 2017A	179
Combining Balance Sheet –Nonmajor Governmental–Capital Projects Funds	180
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –Nonmajor Governmental - Capital Projects Funds	182
<i>Budgetary Comparison Schedules – Capital Projects Funds:</i>	
Parks Capital Projects	184
CIP Capital Projects	185
Surtax Capital Projects	186
Public Improvement Transportation Capital Projects	187
Special Assessment Bonds, Series 2015A	188
Special Assessment Bonds, Series 2016A	189
Special Assessment Bonds, Series 2017A	190
<i>Fiduciary Funds – Agency Funds:</i>	
Combining Statement of Fiduciary Assets and Liabilities– Agency Funds	192
Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	193

STATISTICAL SECTION

Schedule 1	Net Position by Component – Last Ten Fiscal Years	196
Schedule 2	Changes in Net Position – Last Ten Fiscal Years	198
Schedule 3	Fund Balances, Governmental Funds – Last Ten Fiscal Years	202
Schedule 4	Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	204
Schedule 5	Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	206
Schedule 6	Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	208
Schedule 7	Principal Property Taxpayers – Current Year and Nine Years Ago	212
Schedule 8	Property Tax Levies and Collections – Last Ten Fiscal Years	213

Schedule 9	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	214
Schedule 10	Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years	216
Schedule 11	Pledged Revenue Coverage – Last Ten Fiscal Years	218
Schedule 12	Demographic and Economic Statistics – Last Ten Fiscal Years	220
Schedule 13	Principal Employers – Current Year and Nine Years Ago	221
Schedule 14	Marion County Government Employees by Function/Program – Last Ten Fiscal Years	222
Schedule 15	Operating Indicators by Function/Program – Last Ten Fiscal Years	224
Schedule 16	Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	226

COMPLIANCE SECTION

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>	230
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance; and Chapter 10.550, <i>Rules of the Auditor General</i>	232
Schedule of Expenditures of Federal Awards and State Financial Assistance	235
Schedule of Findings and Questioned Costs - Federal Award Programs and State Projects	239
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	240
Independent Accountants' Report on Compliance with Sections 365.172(10) and 365.173(2)(d), Florida Statutes	241
Management Letter	242
Impact Fee Affidavit	244

SUPPORTING FINANCIAL STATEMENTS

Special-Purpose Fund Financial Statements and Required Supplementary Information	
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Marion County Clerk of the Circuit Court and Comptroller
Marion County Property Appraiser
Marion County Sheriff
Marion County Supervisor of Elections
Marion County Tax Collector



CLERK OF THE CIRCUIT COURT AND COMPTROLLER
David R. Ellspermann

March 6, 2019

To the Honorable Members of the
Board of County Commissioners and
Citizens of Marion County

Florida Statutes require that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the County of Marion, Florida (County) for the fiscal year ended September 30, 2018.

The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by an independent firm of certified public accountants, Purvis Gray & Company. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test

Marion County Clerk of the Circuit Court and Comptroller

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basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with GAAP. The report of independent accountants is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are in the compliance section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent accountants.

Profile of the County of Marion, Florida

Marion County was created by the Florida Legislature on March 14, 1844 from land formerly part of Alachua, Hillsborough and Orange Counties. The County is located in North Central Florida, encompassing more than 1,652 square miles making it one of Florida's larger Counties. The eastern quarter of the County contains the Ocala National Forest which is one of the most visited national forests in America. The forest, along with its lakes and rivers, provide recreational opportunities for thousands of visitors each year.



Marion County is a political subdivision of the State of Florida. As such, it is governed by and derives its operating authority from the constitution and laws of the State of Florida. The County operates under a commission/administrator form of government, with a governing board consisting of five county commissioners, elected at-large to staggered four-year terms. Each commission member must meet district residency requirements. In addition to the Board of County Commissioners (BCC), there are five elected constitutional officers performing specifically designated governmental functions: The Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The BCC exercises a varying degree of budgetary control, but not administrative control, over the activities of the constitutional officers. During fiscal year 2017-2018, the Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector each operated their respective offices as budget officers with funding provided by the BCC in the form of operating subsidies. In return, each budget officer is responsible for the collection of revenues within their jurisdictional area, and for the subsequent remittance of such collections to the BCC. The Clerk of the Circuit Court and Comptroller operates as a budget officer, a fee officer, and receives State funding for the courts (Fee officers are authorized to retain revenues generated within their offices for the purpose of defraying the costs of operation). As Clerk to the BCC, the duties of the Clerk of the Circuit Court and Comptroller, as set forth in the Florida Constitution, include those of county auditor, accountant and custodian of county funds.

The financial reporting entity (the County) includes all the funds of the primary government (Marion County Board of County Commissioners) as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services including jails, police and fire protection, solid waste disposal, sewer and water services, the construction and maintenance of highways, streets and infrastructure, recreational activities, planning and zoning services, and economic development programs.

Blended component units, although legally separate entities, are in substance part of the primary government operation, and are included as part of the primary government. Accordingly, the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector are included as blended component units of the County.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

The Ocala MSA (Marion County) run of leading job growth continued through 2019. The Ocala MSA ranked second in the state and in the Top 15 Metros in the Nation in annual job growth rate (4.0%). The unemployment rate for the area also ended down year over year. A key factor continues to be wage growth. A study by Garner Economics revealed that the Average Weekly Wage in the Ocala MSA increased 14.5% from August 2013 to August 2018. This compared to a national average increase of 4.5% and a Florida average increase of 5.0%.

The McLane Company, a subsidiary of Berkshire Hathaway, announced plans in early 2018 to purchase an existing facility and nearly triple it in size for a distribution center. By the end of the year, the company had begun hiring for the 500 employees to staff this DC. New facilities for AutoZone and Chewy.com opened in early 2018 and each had exceeded their long term employment targets by 30% by the end of the year. RealTruck announced plans to expand their headquarters in Ocala and add nearly 80 additional jobs at an average wage of double the County average.

Entrepreneurship and technology-related companies continue to grow with four local companies being named to the *Inc. 5000* list and one other earning *Florida Companies to Watch* (FCTW) designation.

Bucking national trends, local home sales continued to be strong despite shrinking inventories and increasing average and median sold prices. New home construction had a strong year with the largest number of building permits issued since 2007.

Long-Term Financial Planning

The BCC have identified improvements to be made as part of their Capital Improvement Program (CIP) for fiscal years 2017-2018 through 2021-2022. The CIP includes capital improvements in the amount of \$247,620,057 of which \$120,143,352 is to be funded from the proceeds of a one percent local option sales tax levied through public referendum and in effect for the calendar years of 2017 through 2020. The local option sales tax is expected to generate \$146,912,800 for Marion County over the four-year term and will provide funding for transportation infrastructure and capital for public safety purposes.

Planned CIP general capital improvements include a Public Defender Building Expansion, an Enterprise Resource Planning - Information System, upgrades to energy management systems, upgrades to heating and cooling systems, re-roofing projects, parking lot replacements and elevator rebuilds. Grant funded general capital improvements include improvements to the Southeastern Livestock Pavilion. In addition to their CIP, the BCC adopted a Transportation

Improvement Program (TIP) which identified improvements to be made to the County's road system for fiscal years 2017-2018 through 2021-2022. The total projected cost of transportation improvements identified in the TIP is \$98,042,728 not including \$67,585,720 of transportation projects included in the local option sales tax funding above.

Relevant Financial Policies

Pension Plan

The County provides pension benefits for all employees through a statewide plan managed by the Florida Department of Management Services, Division of Retirement. The statewide plan is a contributory pension plan. The County complies with the Governmental Accounting Standards Board (GASB) Statement No. 68 "*Accounting and Financial Reporting for Pensions*," in regard to recognizing its unfunded portion of the statewide plan as a liability. This is reflected in the financial statements and notes within this Comprehensive Annual Financial Report.

Fund Balance Policy

The County has established a fund balance policy in accordance with GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*". The purpose of the fund balance policy is to establish a key element of the financial stability of the County by setting guidelines for fund balance. Unassigned fund balance is an important measure of economic stability. It is essential that the county maintain adequate levels of unassigned fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for the County's general operations.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Marion County, Florida for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2017. This was the thirty-third consecutive year that the government has achieved this prestigious award (fiscal years ended 1985-2017). In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

A CAFR of this nature could not have been prepared without the efficient and dedicated service of all staff members involved. We would like to express our appreciation to the staff of the Clerk of the Circuit Court and Comptroller Finance and Budget Departments for their efforts in producing this report, and to Purvis Gray & Company; Crippen & Co.; Milestone Professional Services, Inc.; and Vision PR & Marketing for their contributions to the design, preparation, and publication of this document. Finally, our thanks for the interest and support of the Board of County Commissioners in planning and conducting the fiscal operations of Marion County.

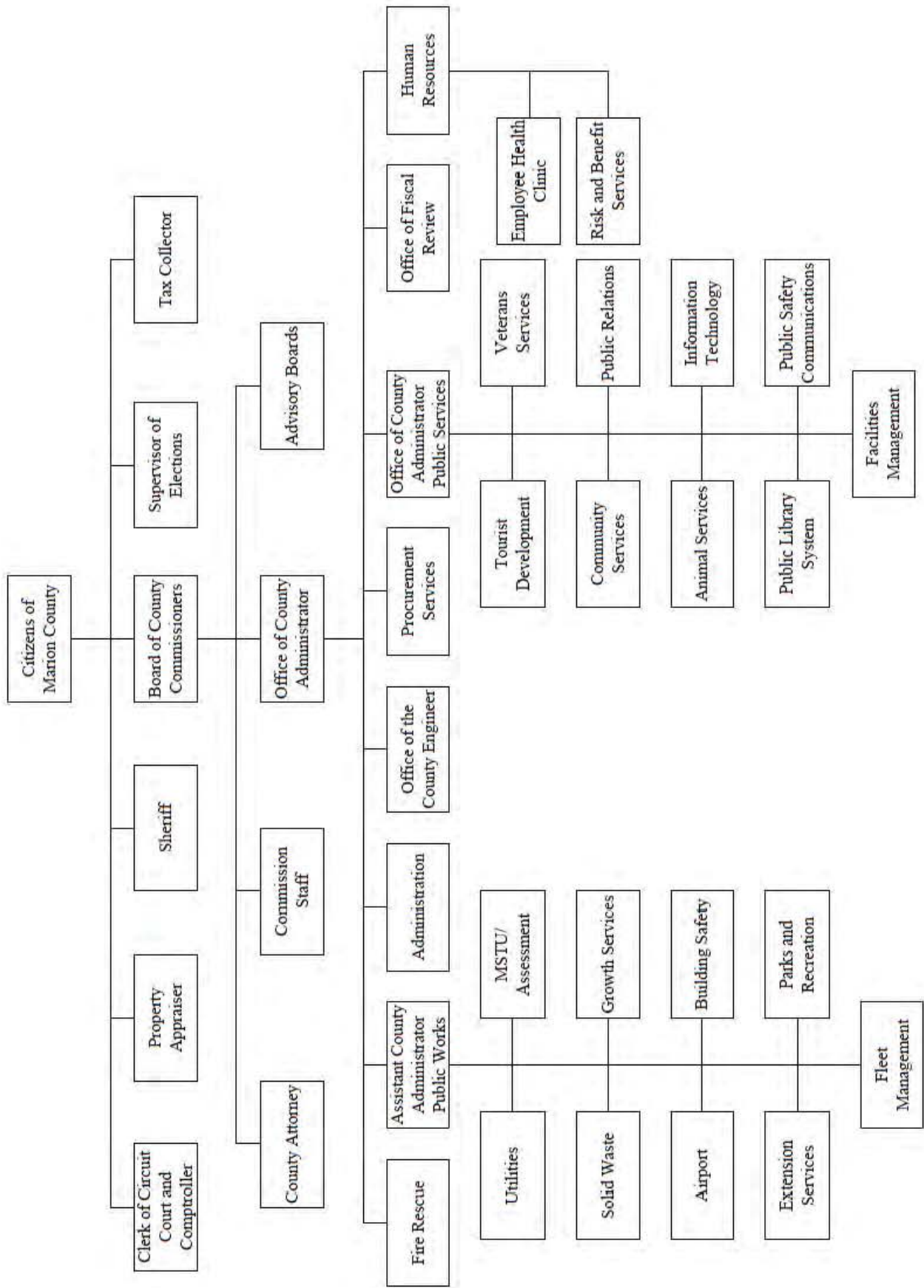
Respectfully submitted,



David R. Ellspermann
Clerk of the Circuit Court
and Comptroller



John W. Garri, CPA
Finance Director







FINANCIAL SECTION

This section contains the following subsections:

- INDEPENDENT AUDITORS' REPORT
- MANAGEMENT'S DISCUSSION AND ANALYSIS
- BASIC FINANCIAL STATEMENTS
- REQUIRED SUPPLEMENTARY INFORMATION
- OTHER SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Marion County, Florida
Ocala, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County, Florida (Marion County) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Marion 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Certified Public Accountants

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Board of County Commissioners
Marion County, Florida
Ocala, Florida

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Marion County as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 12 of the financial statements, in 2018 the County adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in total Other Postemployment Benefits liability and related ratios, schedule of proportionate share of net pension liability, and schedule of contributions, 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 Marion County's financial statements as a whole. The introductory section, combining and individual nonmajor fund statements, and schedules and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from, and relate 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Board of County Commissioners
Marion County, Florida
Ocala, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2019, on our consideration of Marion County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marion County's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

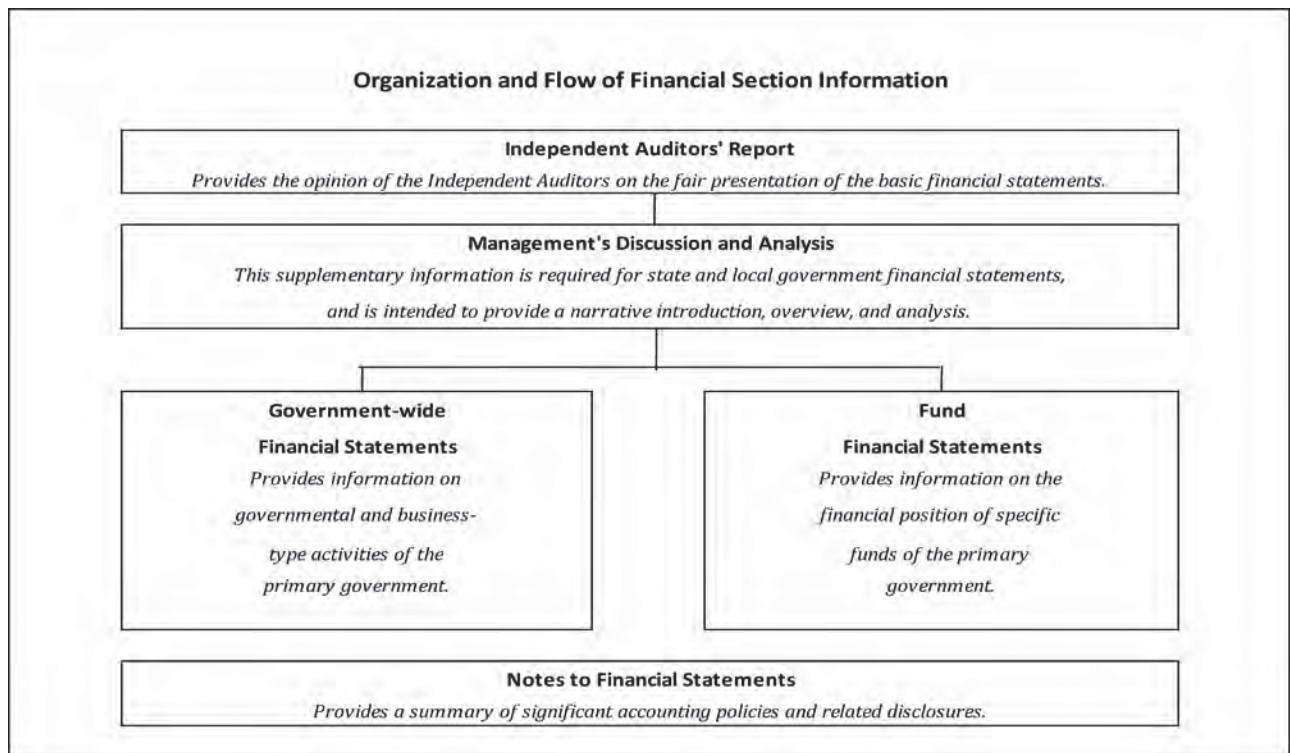
This Management's Discussion and Analysis ("MD&A") presents an overview of the financial activities of Marion County, Florida (the "County") for the fiscal year ended September 30, 2018. Please read it in conjunction with the Letter of Transmittal and the County's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2018 by \$1,501,920,782 (net position). Of this amount, \$(72,735,224) is deficit unrestricted net position.
- The County's total net position increased by \$2,762,520 for current year activities. Of this increase, \$19,450,754 was attributed to governmental activities and \$(16,688,234) to business-type activities.
- At September 30, 2018, the County's governmental funds reported combined ending fund balances of \$204,422,372, an increase of \$33,688,662 in comparison with the prior year.
- At September 30, 2018, unassigned fund balance for the General Fund was \$16,386,445 or 9.0% of total General Fund expenditures.

Overview of the Financial Statements

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



Government-wide financial statements

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

The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Additionally, nonfinancial factors, such as a change in the County's property tax base or the condition of County facilities and infrastructure, should be considered to assess the overall health of the County.

The *statement of activities* presents information showing how the government's net position changed during fiscal year 2018. All changes in net position are reported as soon as the underlying event, giving rise to the change, occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, human services, culture/recreation, and court related activities. The business-type activities of the County include solid waste disposal and water and wastewater utilities.

The government-wide financial statements include not only the County itself (known as the primary government) but also legally separate entities known as Component Units. Component units, which are other governmental units over which the County Commission can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide financial statements and as individual activities in the basic and fund financial statements. The County's component units will not be addressed in this MD&A.

Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains dozens of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, MSTU for Law Enforcement, Silver Springs CRA Trust Fund, Fire Rescue & EMS Fund, and Infrastructure Surtax Capital Projects Fund, which are considered to be major funds. Individual fund data for the General Fund, combining the Board of County Commissioners, Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector is provided in the form of *combining statements* in the other supplemental information section of this report. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the other supplemental information section of this report.

The County adopts an annual appropriated budget for its general, special revenue, and debt service funds and project-length budgets for the capital projects funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

The County maintains two different types of *proprietary funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to solid waste disposal, and water and wastewater utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses the internal service fund to account for its self-insurance and risk management program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Solid Waste and Marion County Utility funds, which are considered to be major funds of the County.

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 statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds. The County only has agency funds.

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, *required supplementary information* is included which presents a schedule of changes in total OPEB liability and related ratios for other post employment benefits liability; schedules of proportionate share of net pension liability; and schedules of contributions for cost-sharing pension plans.

A budgetary comparison schedule for the major Infrastructure Surtax Capital Project Fund, the combining statements referred to earlier in connection with nonmajor governmental funds, and fiduciary funds are presented in the other supplemental information section of this report, along with budgetary comparison schedules for the County's nonmajor governmental funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,501,920,782 at the close of the fiscal year ended September 30, 2018.

MARION COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2018

The County is able to report positive balances in all three categories of net position for its business-type activities and two of the categories for its governmental activities.

The largest portion of the County's net position (92.9%) reflects its net investment in capital 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. The County has *restricted net position* of \$179,493,966 for debt service, capital projects, law enforcement, fire & rescue, resource conservation, transportation and other purposes. The remaining balance of \$(72,735,224) is *unrestricted net position*.

Marion County, Florida						
Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 247,760,542	\$ 218,134,896	\$ 110,088,151	\$ 126,353,754	\$ 357,848,693	\$ 344,488,650
Capital assets (net)	1,393,120,280	1,393,733,118	132,477,512	135,123,003	1,525,597,792	1,528,856,121
Total Assets	1,640,880,822	1,611,868,014	242,565,663	261,476,757	1,883,446,485	1,873,344,771
Deferred outflows of resources	87,218,859	90,034,106	4,968,974	5,213,461	92,187,833	95,247,567
Total Deferred Outflows	87,218,859	90,034,106	4,968,974	5,213,461	92,187,833	95,247,567
Current and other liabilities	21,860,656	22,657,185	7,553,060	8,644,655	29,413,716	31,301,840
Long-term liabilities	306,008,774	306,211,372	113,676,018	115,362,467	419,684,792	421,573,839
Total Liabilities	327,869,430	328,868,557	121,229,078	124,007,122	449,098,508	452,875,679
Deferred inflows of resources	23,988,992	15,864,483	626,036	406,110	24,615,028	16,270,593
Total Deferred Inflows	23,988,992	15,864,483	626,036	406,110	24,615,028	16,270,593
Net Position:						
Net Investment in						
Capital Assets	1,339,304,810	1,331,043,338	55,857,230	54,486,340	1,395,162,040	1,385,529,678
Restricted	173,208,945	142,505,391	6,285,021	6,186,757	179,493,966	148,692,148
Unrestricted	(136,272,496)	(116,379,649)	63,537,272	81,603,889	(72,735,224)	(34,775,760)
Total Net Position	\$ 1,376,241,259	\$ 1,357,169,080	\$ 125,679,523	\$ 142,276,986	\$ 1,501,920,782	\$ 1,499,446,066

There was a net decrease of \$(16,688,234) in net position reported in connection with the County's business-type activities that resulted from current year activities. Governmental activities increased the County's net position by \$19,450,754 from current year activities.

Current and other assets increased by \$29,625,646 for governmental activities and decreased by \$(16,265,603) for business-type activities, in line with the overall net increase in net position for the year. The majority of the increase and decrease are attributed to changes in cash and investments resulting from additional infrastructure surtax funds and hurricane debris removal of the Solid Waste operations.

Deferred outflows of resources decreased by \$(3,059,734) and deferred inflows of resources increased by \$8,344,435 from the prior year primarily as a result of changes in the County's pension balances and new accounting standards for other postemployment benefits (OPEB) in the current year. The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* that resulted in a restatement of beginning net position, and changed the County's accounting and reporting for OPEB with the inclusion of deferred outflows and deferred inflows. Deferred outflows and deferred inflows of resources represent amounts that will increase or decrease net position in future periods.

Key reasons for the changes that resulted from other current year activities are presented in the following pages for governmental and business-type activities.

MARION COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2018

Marion County, Florida
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues:						
Charges for Services	\$ 90,038,405	\$ 80,902,276	\$ 39,605,861	\$ 39,843,638	\$ 129,644,266	\$ 120,745,914
Operating Grants and Contributions	6,749,282	6,235,120	529,329	123,244	7,278,611	6,358,364
Capital Grants and Contributions	16,407,735	22,027,841	4,200,998	2,026,642	20,608,733	24,054,483
General Revenues:						
Property Taxes	114,266,376	106,158,714	-	-	114,266,376	106,158,714
Other Taxes	95,358,160	78,673,967	-	-	95,358,160	78,673,967
Other	15,114,411	13,261,085	2,426,821	2,354,168	17,541,232	15,615,253
Total Revenues	337,934,369	307,259,003	46,763,009	44,347,692	384,697,378	351,606,695
EXPENSES						
General Government	54,138,021	48,773,464	-	-	54,138,021	48,773,464
Public Safety	171,852,609	157,169,472	-	-	171,852,609	157,169,472
Physical Environment	3,174,319	3,197,065	-	-	3,174,319	3,197,065
Transportation	41,144,925	39,993,337	-	-	41,144,925	39,993,337
Economic Environment	6,529,365	3,781,210	-	-	6,529,365	3,781,210
Human Services	15,657,968	15,742,555	-	-	15,657,968	15,742,555
Culture/Recreation	13,231,765	12,480,560	-	-	13,231,765	12,480,560
Court-Related	10,553,606	9,928,352	-	-	10,553,606	9,928,352
Interest on Long-term Debt	1,870,171	1,886,034	-	-	1,870,171	1,886,034
Solid Waste	-	-	38,669,727	14,783,496	38,669,727	14,783,496
Water and Wastewater	-	-	25,112,382	27,036,467	25,112,382	27,036,467
Total Expenses	318,152,749	292,952,049	63,782,109	41,819,963	381,934,858	334,772,012
Excess (Deficiency) Before Transfers	19,781,620	14,306,954	(17,019,100)	2,527,729	2,762,520	16,834,683
Transfers	(330,866)	(352,513)	330,866	352,513	-	-
Change in Net Position	19,450,754	13,954,441	(16,688,234)	2,880,242	2,762,520	16,834,683
Beginning Net Position, Original	1,357,169,080	1,343,214,639	142,276,986	139,396,744	1,499,446,066	1,482,611,383
Adjustment for Change in Accounting	(378,575)	-	90,771	-	(287,804)	-
Beginning Net Position, Restated	1,356,790,505	1,343,214,639	142,367,757	139,396,744	1,499,158,262	1,482,611,383
Ending Net Position	<u>\$ 1,376,241,259</u>	<u>\$ 1,357,169,080</u>	<u>\$ 125,679,523</u>	<u>\$ 142,276,986</u>	<u>\$ 1,501,920,782</u>	<u>\$ 1,499,446,066</u>

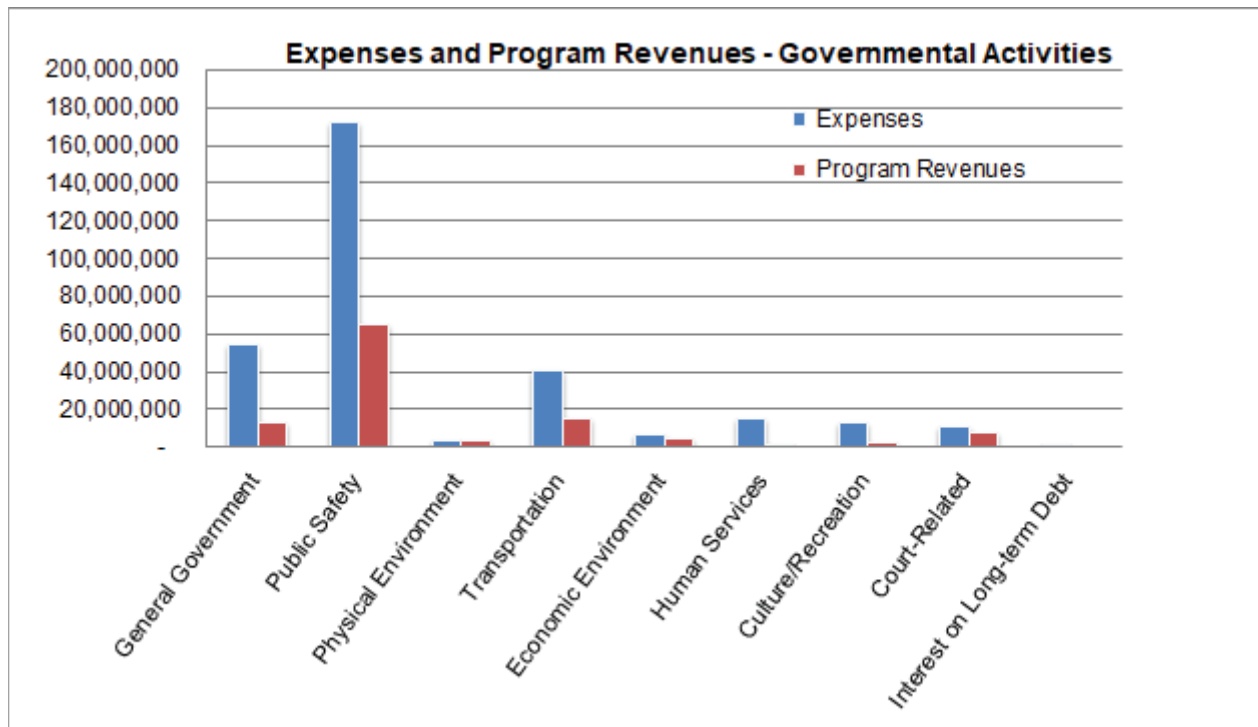
Governmental activities

Governmental activities increased the County's net position by \$19,450,754. One reason for this increase was from capital asset additions greater than depreciation expense for the year. The revenues that were used for the capital purchases were recognized in this fiscal year in the government-wide financial statements; however, the capital assets are depreciated over many years. Thus the related expense is largely not recognized in the same year as the revenues. Total revenues increased from the prior year by \$30.7 million, including an increase in infrastructure surtax revenues of \$15.1 million, an increase of \$8.1 million in property tax revenues from increasing property values, and an increase in charges for services of \$9.1 million for additional services used by our citizens and businesses. Total expenses increased \$25.2 million from the prior year, mostly for pension and depreciation expenses.

MARION COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2018

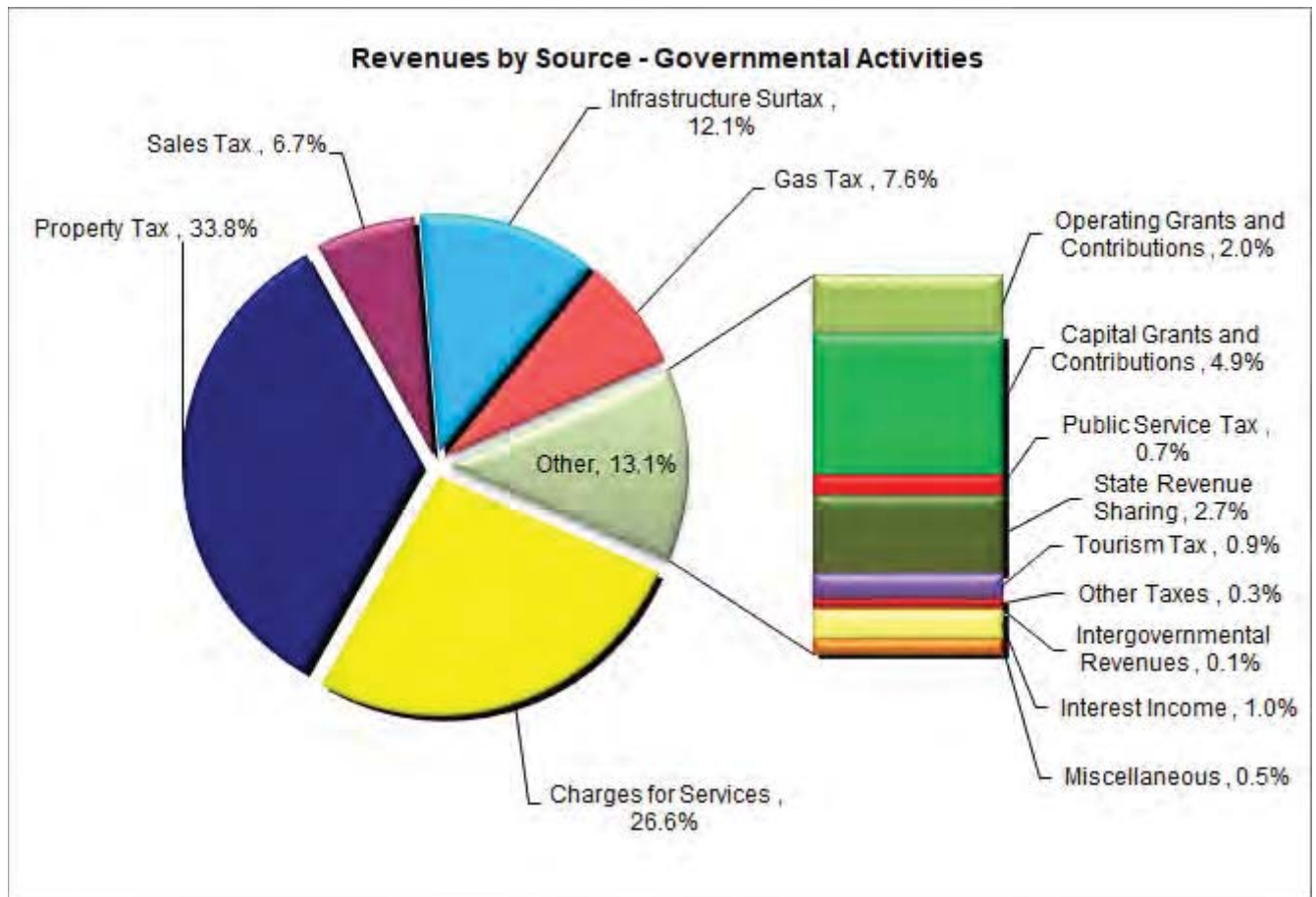
Expenses and Program Revenues – Governmental Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	\$ 54,138,021	17.1 %	\$ 12,948,388	11.4 %	\$ (41,189,633)
Public Safety	171,852,609	54.0 %	65,298,384	57.7 %	(106,554,225)
Physical Environment	3,174,319	1.0 %	4,050,720	3.6 %	876,401
Transportation	41,144,925	12.9 %	15,173,372	13.4 %	(25,971,553)
Economic Environment	6,529,365	2.1 %	5,053,204	4.5 %	(1,476,161)
Human Services	15,657,968	4.9 %	828,142	0.7 %	(14,829,826)
Culture/Recreation	13,231,765	4.2 %	2,561,360	2.3 %	(10,670,405)
Court-Related	10,553,606	3.3 %	7,281,852	6.4 %	(3,271,754)
Interest on Long-term Debt	1,870,171	0.6 %	-	0.0 %	(1,870,171)
	<u>\$ 318,152,749</u>	<u>100.0 %</u>	<u>\$ 113,195,422</u>	<u>100.0 %</u>	<u>\$ (204,957,327)</u>



Revenues by Source – Governmental Activities

<u>Description</u>	<u>Revenues</u>	<u>% of Total</u>
Charges for Services	\$ 90,038,405	26.6 %
Operating Grants and Contributions	6,749,282	2.0 %
Capital Grants and Contributions	16,407,735	4.9 %
Property Tax	114,266,376	33.8 %
Infrastructure Surtax	40,791,199	12.1 %
Sales Tax	22,652,641	6.7 %
Public Service Tax	2,309,221	0.7 %
Gas Tax	25,582,912	7.6 %
State Revenue Sharing	9,255,130	2.7 %
Tourist Development Tax	3,061,863	0.9 %
Other Taxes	960,324	0.3 %
Intergovernmental Revenues	502,732	0.1 %
Interest Income	3,528,160	1.0 %
Miscellaneous	1,828,389	0.5 %
	<u>\$ 337,934,369</u>	<u>100.0 %</u>

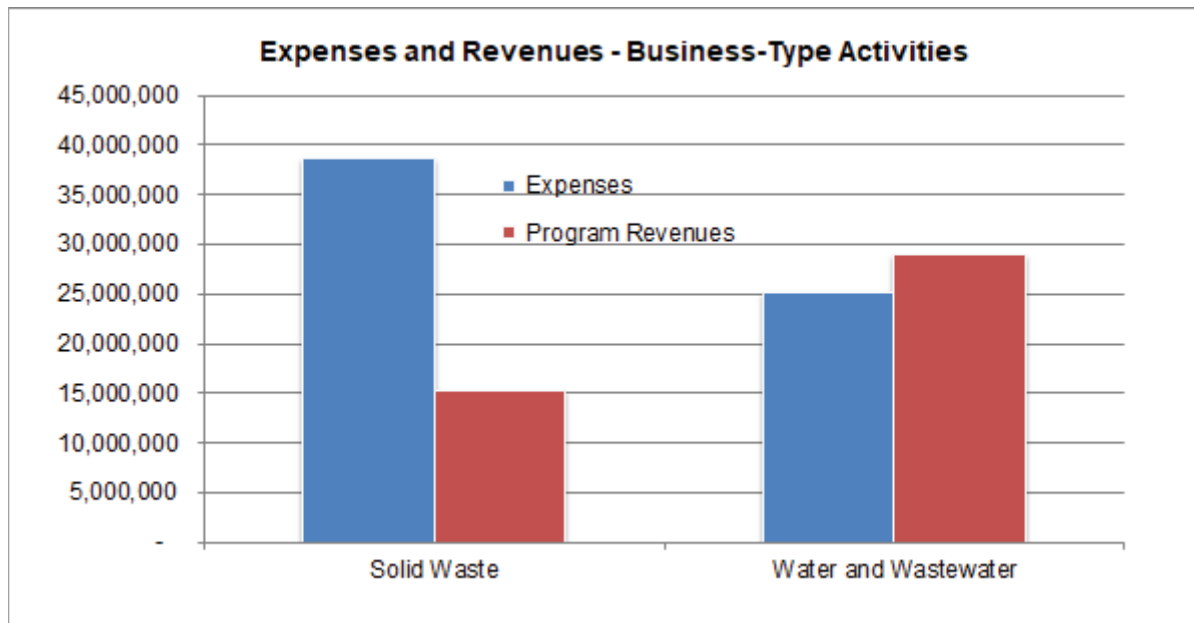


Business-type activities

Business-type activities decreased the County's net position by \$(16,688,234). Total revenues increased by \$2.4 million from the prior year mostly attributed to additional capital grants and contributions. Business-type expenses increased \$22.0 million from the prior year due to hurricane debris removal expenses in the Solid Waste fund. The County is working to recover those costs from Federal and State grant agencies. The Utility Fund experienced operating income for the year, which appears to indicate that the County's current rates are sufficient to sustain the system at this time.

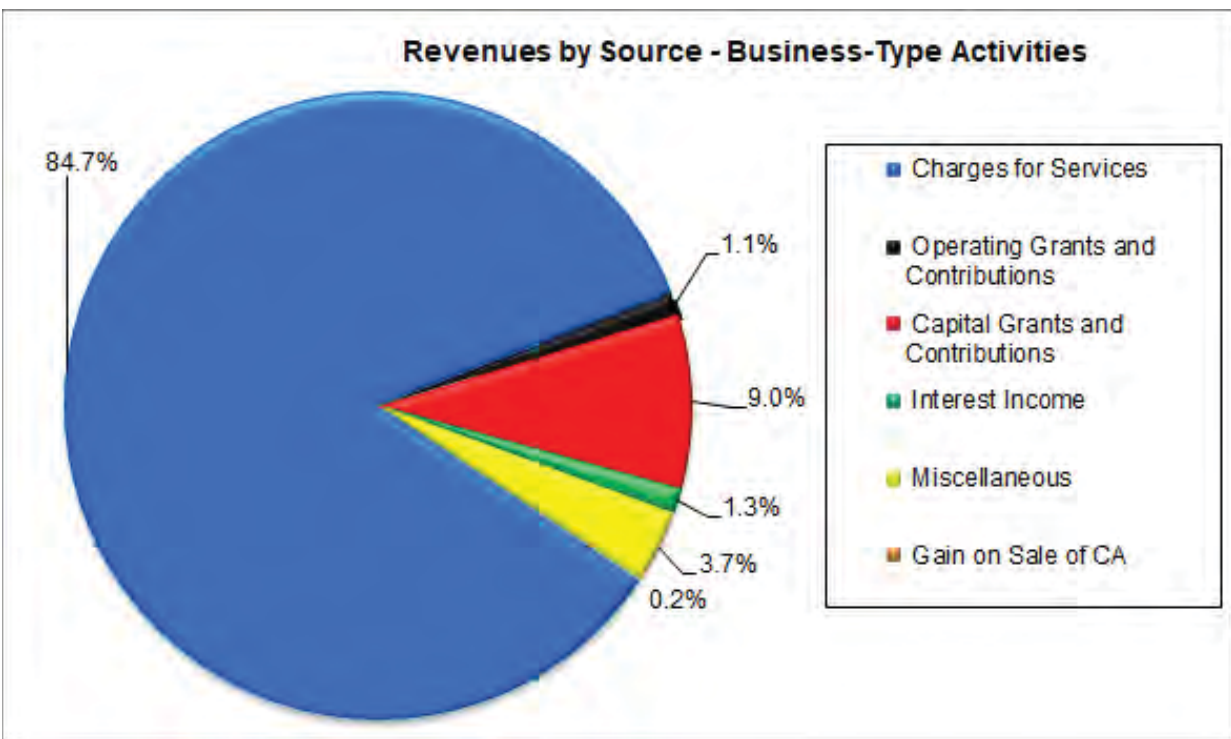
Expenses and Program Revenues – Business-type Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Solid Waste	\$ 38,669,727	60.6 %	\$ 15,346,796	34.6 %	\$ (23,322,931)
Water and Wastewater	25,112,382	39.4 %	28,989,392	65.4 %	3,877,010
	<u>\$ 63,782,109</u>	<u>100.0 %</u>	<u>\$ 44,336,188</u>	<u>100.0 %</u>	<u>\$ (19,445,921)</u>



Revenues by Source – Business-type Activities

Description	Revenues	% of Total
Charges for Services	\$ 39,605,861	84.7 %
Operating Grants and Contributions	529,329	1.1 %
Capital Grants and Contributions	4,200,998	9.0 %
Interest Income	630,562	1.3 %
Miscellaneous	1,709,116	3.7 %
Gain on Sale of Assets	87,143	0.2 %
	\$ 46,763,009	100.0 %



Financial Analysis of the County's Funds

Governmental funds

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

As of the end of fiscal year 2018, the County's governmental funds reported combined ending fund balances of \$204,422,372, an increase of \$33,688,662 in comparison with the prior year. The County's General Fund *Unassigned fund balance* is \$16,386,445. The majority of unassigned fund balance consists of funds budgeted in the subsequent year for contingency. The County's governmental funds reported combined ending *restricted fund balance* of \$166,046,818 an increase of \$34.6 million from the prior year mostly from infrastructure surtax revenues restricted for use. Restricted fund balance includes amounts that can only be

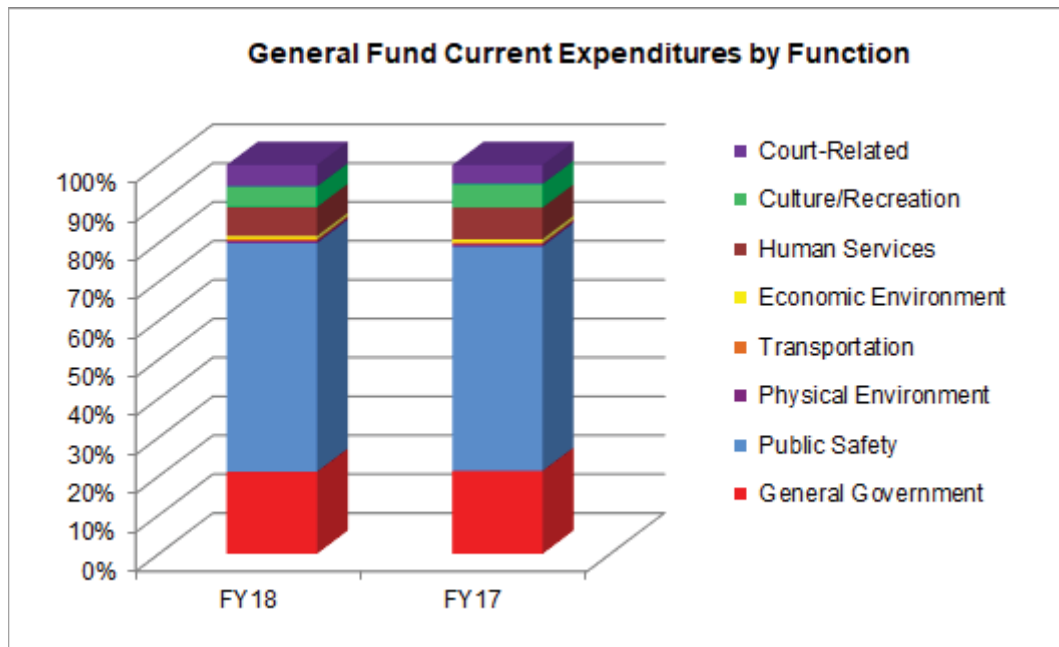
spent for specific purposes as stipulated by external resource providers either constitutionally or through enabling legislation such as the Florida Statutes, laws and regulations, or grantors.

The County's governmental funds reported *Committed fund balances* of \$2,693,691 and *Assigned fund balances* of \$15,579,362, which are available for spending in accordance with related ordinances or County policy. The remainder of fund balance is *Nonspendable* to indicate that it is not available for spending because it is not in spendable form: for inventories (\$2,379,066) and for prepaid items (\$1,336,990).

The General Fund is the chief operating fund of the County. At the end of fiscal year 2018, unassigned fund balance of the General Fund was \$16,386,445, while total fund balance reached \$32,413,618. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.0% of the total General Fund expenditures, while total fund balance represents 17.8% of that same amount.

The increase in fund balance of the County's General Fund was \$1,282,055 during the current fiscal year. Charges for services increased by \$1.6 million from the prior year as a result of increased usage of services by County citizens, and taxes increased by \$4.8 million from increased property values. Expenditures for public safety increased by \$10.1 million from the prior year as a result of increased needs during the last hurricane season.

The following graph displays the General Fund current expenditures by function for FY18 and FY17 (it does not include debt service or other financing uses).



The MSTU for Law Enforcement Fund provides funding in the form of ad valorem taxes for the Marion County Sheriff's Department. At the end of fiscal year 2018, restricted and assigned fund balance totaled \$8,989,088; this amount represents 20.5% of the fund's total expenditures and transfers out. The fund balance increased \$485,481 from the prior year as a result of effective budgeting strategies to provide public safety services through the Sheriff's Department.

MARION COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2018

The Silver Springs CRA Trust Fund was established to account for the County's designated redevelopment program and restricted revenues to fund it. At the end of the fiscal year, restricted fund balance totaled \$95,064. The fund balance increased by \$47,872 from the prior year due to minimal operating expenditures.

The Fire, Rescue and EMS fund was established to promote the health, safety and welfare of the citizens of the County. At the end of the fiscal year, fund balance totaled \$8,341,749, a decrease of \$1,535,250 from the prior fiscal year. This was mainly a result of a \$3,573,177 increase in costs from the prior year. The cost increase was mostly due to personnel costs for rising health insurance and pension costs, and additional overtime to cover unfilled positions.

The Infrastructure Surtax Capital Projects Fund was established to account for the County's infrastructure surtax revenues and capital infrastructure expenditures. The fund balance totaled \$41,917,337, an increase \$20,339,229 from the prior fiscal year. This was the result of increased surtax revenues not spent in the period that will be used for future infrastructure projects.

Proprietary funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All enterprise funds are reported as major funds. As previously discussed, the internal service fund is combined with governmental funds to arrive at governmental activities. Unrestricted net position of enterprise funds at the end of the year amounted to:

Fund	Unrestricted Net Position	
	2018	2017
Solid Waste	\$ 38,248,587	\$ 59,592,384
Marion County Utility	25,288,685	22,011,505
Total	\$ 63,537,272	\$ 81,603,889

There was a decrease in unrestricted net position for the Solid Waste Fund of \$(21,343,797), and an increase in unrestricted net position for the Utility Fund of \$3,277,180, which made up the overall decrease in unrestricted net position for the year. The Solid Waste Fund's total net position decreased by \$(22,544,030), while the Utility Fund's total net position increased by \$5,855,796 from the current year's activities. The Utility Fund's increase is primarily due to effective cost containment measures for their operations without significant changes in overall expenses. The Solid Waste Fund's decrease in net position was the result of debris removal cleanup costs resulting from Hurricane Irma.

General Fund Budgetary Highlights

The General Fund's original budget increased by \$2,961,093 to arrive at the final amended budget for expenditures and transfers out. The largest changes were a decrease to general government mostly from contingency and increases to public safety for law enforcement costs. The changes within functions are summarized in the table below.

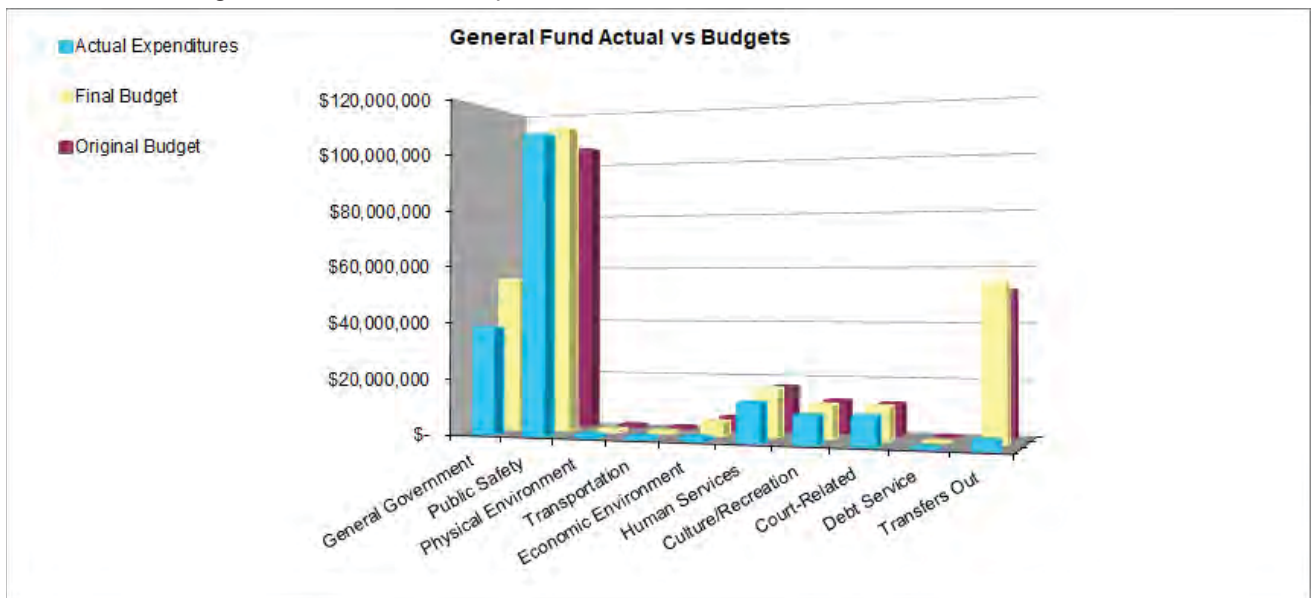
MARION COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
 September 30, 2018

	Original Budget	Final Budget	Change
General Government	\$ 62,230,198	\$ 55,439,189	\$ (6,791,009)
Public Safety	105,134,955	111,119,208	5,984,253
Physical Environment	1,217,164	1,215,591	(1,573)
Transportation	991,203	1,005,868	14,665
Economic Environment	4,984,364	4,990,139	5,775
Human Services	16,635,976	17,244,231	608,255
Culture/Recreation	11,985,692	11,978,607	(7,085)
Court-Related	11,384,963	11,877,266	492,303
Debt Service	263,391	401,357	137,966
Transfers Out	51,812,145	54,329,688	2,517,543
	<u>\$ 266,640,051</u>	<u>\$ 269,601,144</u>	<u>\$ 2,961,093</u>

The General Fund underspent the final budget by \$(84,425,849). The variances within functions are summarized in the table below.

	Actual Expenditures	Final Budget	Variance
General Government	\$ 38,208,695	\$ 55,439,189	\$ 17,230,494
Public Safety	106,721,547	111,119,208	4,397,661
Physical Environment	961,569	1,215,591	254,022
Transportation	985,809	1,005,868	20,059
Economic Environment	1,347,726	4,990,139	3,642,413
Human Services	13,506,686	17,244,231	3,737,545
Culture/Recreation	9,719,521	11,978,607	2,259,086
Court-Related	10,002,870	11,877,266	1,874,396
Debt Service	401,352	401,357	5
Transfers Out	3,319,520	54,329,688	51,010,168
	<u>\$ 185,175,295</u>	<u>\$ 269,601,144</u>	<u>\$ 84,425,849</u>

The largest differences between actual expenditures and the final budget resulted from \$51.0 million in budget transfers. The majority of unspent budget in general government is due to unspent budgeted contingency. Transfers out are offset by the elimination of budgeted General Fund transfers in, so they are not an actual budgeted expenditure. Overhead costs and fuel allocations in the amount of \$7.6 million in general government are budgeted, but eliminated expenditures.



Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounts to \$1,525,597,792 (net of accumulated depreciation and amortization). This investment in capital assets includes land, historical treasures, buildings, improvements other than buildings (including leasehold improvements), equipment, software, infrastructure, and construction in progress. The County's total investment in capital assets decreased minimally from the prior year.

Major capital asset events during the current fiscal year included the following

- Infrastructure related to governmental activities increased by \$24.1 million from the prior year including \$8.1 million from construction in progress projects that closed out and were placed in service.
- System improvements related to business-type activities increased by \$4.7 million from the prior year.

Marion County, Florida Capital Assets, Net

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 425,520,671	\$ 425,116,446	\$ 8,774,468	\$ 8,703,446	\$ 434,295,139	\$ 433,819,892
Historical Treasures	266,238	266,238	-	-	266,238	266,238
Buildings	237,406,253	231,228,559	8,730,155	8,730,155	246,136,408	239,958,714
Improvements Other than Buildings	56,142,154	54,241,880	245,593,139	240,900,984	301,735,293	295,142,864
Equipment	130,443,795	125,293,016	14,646,508	14,403,508	145,090,303	139,696,524
Software	4,050,890	4,050,890	-	-	4,050,890	4,050,890
Infrastructure	1,300,263,471	1,276,133,606	-	-	1,300,263,471	1,276,133,606
Construction in Progress	3,960,605	6,550,985	9,030,369	4,540,573	12,990,974	11,091,558
Construction in Progress - Infrastructure	12,895,440	18,403,676	-	-	12,895,440	18,403,676
	<u>2,170,949,517</u>	<u>2,141,285,296</u>	<u>286,774,639</u>	<u>277,278,666</u>	<u>2,457,724,156</u>	<u>2,418,563,962</u>
Less: Accumulated Depreciation	<u>(777,829,237)</u>	<u>(747,552,178)</u>	<u>(154,297,127)</u>	<u>(142,155,663)</u>	<u>(932,126,364)</u>	<u>(889,707,841)</u>
Capital Assets, net	<u>\$ 1,393,120,280</u>	<u>\$ 1,393,733,118</u>	<u>\$ 132,477,512</u>	<u>\$ 135,123,003</u>	<u>\$ 1,525,597,792</u>	<u>\$ 1,528,856,121</u>

Additional information on the County's capital assets, including major construction commitments, can be found in Note 4 of this report.

Long-term debt

At the end of fiscal year 2018, the County had total bonded debt outstanding of \$102,117,677. Of this amount, \$6,602,677 is special assessment debt for which the government is not liable in the event of default by the property owners subject to the assessment. The remainder of the County's bonded debt \$95,515,000 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Additionally, the County had notes payable of \$29,579,489 at the end of fiscal year 2018.

MARION COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2018

Marion County, Florida						
Outstanding Notes Payable and Bonded Debt						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General Obligation Bonds	\$ -	\$ 740,000	\$ -	\$ -	\$ -	\$ 740,000
Revenue Bonds	40,615,000	43,400,000	54,900,000	58,225,000	95,515,000	101,625,000
Special Assessment Bonds	6,602,677	8,841,093	-	-	6,602,677	8,841,093
Notes Payable	7,637,228	8,416,611	21,942,261	23,524,761	29,579,489	31,941,372
	<u>\$ 54,854,905</u>	<u>\$ 61,397,704</u>	<u>\$ 76,842,261</u>	<u>\$ 81,749,761</u>	<u>\$ 131,697,166</u>	<u>\$ 143,147,465</u>

The County's outstanding notes and bonded debt decreased by \$11.5 million. This decrease is attributed to scheduled debt service principal reductions in the year.

Additional information on the County's debt, including any major changes to the County's credit ratings, can be found in Note 5 of this report.

Economic Factors and Next Year's Budgets and Rates

- The annual average unemployment rate for the County for 2018 was 3.6% which was a decrease of 0.5% from the prior year. The average adjusted rate for 2017 was 4.1%.
- The taxable assessed value increased 5.8% in the 2018 fiscal year.
- Population increased approximately 1.3% from the prior fiscal year to 353,898 at September 30, 2018.

During the current fiscal year, unassigned fund balance in the General Fund increased to \$16,386,445. The County has budgeted \$27,395,883 for spending in the 2019 fiscal year budget, which includes \$14,449,112 of assigned fund balance carried forward from 2018. The ad valorem tax rate for the General Fund remained at 3.33% for the 2019 fiscal year budget.

Rates for the County's water and wastewater utilities remained unchanged in fiscal year 2018. There are no scheduled increases in rates for fiscal year 2019.

In an effort to help stimulate job creation and the economy, the County is awarding Economic Development Financial Incentive Grants. Both Marion County and the City of Ocala are working together with the Economic Development Council to develop potential industrial parks and bring new jobs to Marion County.

Requests for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Marion County Clerk of the Circuit Court and Comptroller, Finance Department, 110 NW First Avenue, Ocala, Florida, 34475.

MARION COUNTY, FLORIDA

Statement of Net Position

September 30, 2018

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and Cash Equivalents	\$ 12,891,416	\$ 14,245,243	\$ 27,136,659	\$ 643,833
Restricted Cash and Cash Equivalents	139,729,546	16,535,764	156,265,310	-
Investments	33,535,791	56,591,378	90,127,169	-
Restricted Investments	33,479,399	-	33,479,399	-
Accounts Receivable, Net	6,587,961	1,641,921	8,229,882	132,436
Accrued Interest Receivable	263,016	212,016	475,032	-
Special Assessments Receivable	5,470,756	-	5,470,756	-
Due from Other Governments	12,082,314	129,241	12,211,555	10,428
Internal Balances	4,287	(4,287)	-	-
Inventories	2,379,066	732,751	3,111,817	-
Prepaid Items	1,336,990	4,124	1,341,114	867
Other Assets	-	20,000,000	20,000,000	-
Capital Assets, Not Being Depreciated	442,642,954	17,804,837	460,447,791	-
Capital Assets, Being Depreciated, Amortized (Net)	950,477,326	114,672,675	1,065,150,001	110,176
Total Assets	1,640,880,822	242,565,663	1,883,446,485	897,740
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding	3,494,906	2,645,110	6,140,016	-
Deferred Outflows related to OPEB	1,018,335	36,134	1,054,469	-
Deferred Outflows related to Pensions	82,705,618	2,287,730	84,993,348	-
Total Deferred Outflows of Resources	87,218,859	4,968,974	92,187,833	-
LIABILITIES				
Accounts Payable	6,559,010	1,399,215	7,958,225	11,394
Contracts Payable	335,009	314,124	649,133	-
Accrued Liabilities	3,100,265	257,518	3,357,783	640
Accrued Interest Payable	431,648	628,796	1,060,444	-
Due to Other Governments	2,302,223	57,307	2,359,530	-
Due to Individuals	2,298,316	-	2,298,316	-
Deposits	865,661	649,544	1,515,205	-
Unearned Revenue	5,758,866	4,246,556	10,005,422	728
Advanced Grants	209,658	-	209,658	-
Noncurrent Liabilities:				
Due Within One Year	12,060,621	6,597,437	18,658,058	-
Due in More Than One Year	293,948,153	107,078,581	401,026,734	-
Total Liabilities	327,869,430	121,229,078	449,098,508	12,762
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows related to OPEB	968,725	34,066	1,002,791	-
Deferred Inflows related to Pensions	23,020,267	591,970	23,612,237	-
Total Deferred Inflows of Resources	23,988,992	626,036	24,615,028	-
NET POSITION				
Net Investment in Capital Assets	1,339,304,810	55,857,230	1,395,162,040	110,176
Restricted for:				
Debt Service	8,445,888	4,946,987	13,392,875	-
Capital Projects	83,744,618	1,338,034	85,082,652	-
Fire and Rescue	11,711,678	-	11,711,678	-
Law Enforcement	12,696,393	-	12,696,393	-
Resource Conservation	12,147,319	-	12,147,319	-
Transportation	29,181,438	-	29,181,438	-
Other Purposes	15,281,611	-	15,281,611	-
Unrestricted	(136,272,496)	63,537,272	(72,735,224)	774,802
Total Net Position	\$ 1,376,241,259	\$ 125,679,523	\$ 1,501,920,782	\$ 884,978

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2018

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 54,138,021	\$ 10,198,383	\$ 86,770	\$ 2,663,235	\$ (41,189,633)	\$ -	\$ (41,189,633)	\$ -
Public Safety	171,852,609	61,079,855	3,650,940	567,589	(106,554,225)	-	(106,554,225)	-
Physical Environment	3,174,319	3,842,382	18,227	190,111	876,401	-	876,401	-
Transportation	41,144,925	4,087,892	128,175	10,957,305	(25,971,553)	-	(25,971,553)	-
Economic Environment	6,529,365	950,317	2,322,439	1,780,448	(1,476,161)	-	(1,476,161)	-
Human Services	15,657,968	652,991	2,537	172,614	(14,829,826)	-	(14,829,826)	-
Culture/Recreation	13,231,765	1,944,733	540,194	76,433	(10,670,405)	-	(10,670,405)	-
Court-Related	10,553,606	7,281,852	-	-	(3,271,754)	-	(3,271,754)	-
Interest on Long-Term Debt	1,870,171	-	-	-	(1,870,171)	-	(1,870,171)	-
Total Governmental Activities	318,152,749	90,038,405	6,749,282	16,407,735	(204,957,327)		(204,957,327)	
Business-type Activities:								
Solid Waste	38,669,727	15,186,255	157,575	2,966	-	(23,322,931)	(23,322,931)	-
Water and Wastewater	25,112,382	24,419,606	371,754	4,198,032	-	3,877,010	3,877,010	-
Total Business-type Activities	63,782,109	39,605,861	529,329	4,200,998		(19,445,921)	(19,445,921)	
Total Primary Government	\$ 381,934,858	\$ 129,644,266	\$ 7,278,611	\$ 20,608,733	(204,957,327)	(19,445,921)	(224,403,248)	
Component Units:								
Marion County Law Library	\$ 148,586	\$ 152,424	\$ -	\$ -				\$ 3,838
Marion County Housing	7,797	-	-	-				(7,797)
Total Component Units	\$ 156,383	\$ 152,424	\$ -	\$ -				(3,959)
General Revenues:								
Property Tax					114,266,376	-	114,266,376	-
Sales Tax					22,652,641	-	22,652,641	-
Infrastructure Surtax					40,791,199	-	40,791,199	-
Public Service Tax					2,309,221	-	2,309,221	-
Gas Tax					25,582,912	-	25,582,912	-
Unrestricted State Revenue Sharing					9,255,130	-	9,255,130	-
Tourist Development Tax					3,061,863	-	3,061,863	-
Other Taxes					960,324	-	960,324	-
Unrestricted Intergovernmental Revenues					502,732	-	502,732	-
Investment Income					3,528,160	630,562	4,158,722	1,374
Miscellaneous					1,828,389	1,709,116	3,537,505	-
Gain on Sale of Capital Assets					-	87,143	87,143	-
Transfers					(330,866)	330,866	-	-
Total General Revenues and Transfers					224,408,081	2,757,687	227,165,768	1,374
Change in Net Position					19,450,754	(16,688,234)	2,762,520	(2,585)
Beginning Net Position, as Restated					1,356,790,505	142,367,757	1,499,158,262	887,563
Ending Net Position					\$ 1,376,241,259	\$ 125,679,523	\$ 1,501,920,782	\$ 884,978

The notes to the financial statements are an integral part of the financial statements.



MARION COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2018

	General Fund - County Wide	MSTU for Law Enforcement	Silver Springs CRA Trust Fund	Fire, Rescue & EMS
ASSETS				
Cash and Cash Equivalents	\$ 16,471,040	\$ 7,532,055	\$ 95,064	\$ 404,668
Investments	22,229,162	-	-	9,064,482
Accounts Receivable	5,357,642	121	-	19,482
Accrued Interest Receivable	90,671	-	-	34,882
Special Assessments Receivable	-	-	-	-
Due from Other Funds	25,165	1,126,769	-	6,693
Due from Other Governments	3,761,575	330,143	-	8,422
Inventories	1,073,330	-	-	-
Prepaid Items	504,731	-	-	27,079
Total Assets	\$ 49,513,316	\$ 8,989,088	\$ 95,064	\$ 9,565,708
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 3,061,852	\$ -	\$ -	\$ 279,943
Contracts Payable	129,926	-	-	-
Accrued Liabilities	1,731,309	-	-	911,395
Due to Other Funds	1,577,059	-	-	-
Due to Other Governments	2,149,949	-	-	5,777
Due to Individuals	2,298,316	-	-	-
Deposits	46,246	-	-	-
Unearned Revenues	3,494,628	-	-	25,922
Advanced Grants	148,618	-	-	922
Total Liabilities	14,637,903	-	-	1,223,959
Deferred Inflows of Resources:				
Deferred Assessments	-	-	-	-
Unavailable Revenues	2,461,795	-	-	-
Total Deferred Inflows of Resources	2,461,795	-	-	-
Fund Balances:				
Nonspendable:				
Inventories	1,073,330	-	-	-
Prepaid Items	504,731	-	-	27,079
Restricted for:				
Community Redevelopment	-	-	95,064	-
Court Innovations	-	-	-	-
Records Modernization Tech	-	-	-	-
Debt Service Reserve	-	-	-	-
Fire and Rescue	-	-	-	8,104,384
Infrastructure	-	-	-	-
Law Enforcement	-	8,692,083	-	-
Parks & Recreation	-	-	-	-
Public Safety	-	-	-	-
Resource Conservation	-	-	-	-
Road Construction	-	-	-	-
Social Services	-	-	-	-
Tourism	-	-	-	-
Transportation Maintenance	-	-	-	-
Committed to:				
Airport	-	-	-	-
Parks & Recreation	-	-	-	-
Assigned to:				
Subsequent Year's Budget	14,449,112	-	-	-
Fire and Rescue	-	-	-	210,286
Infrastructure	-	-	-	-
Law Enforcement	-	297,005	-	-
Parks & Recreation	-	-	-	-
Road Construction	-	-	-	-
Unassigned	16,386,445	-	-	-
Total Fund Balances	32,413,618	8,989,088	95,064	8,341,749
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 49,513,316	\$ 8,989,088	\$ 95,064	\$ 9,565,708

The notes to the financial statements are an integral part of the financial statements.

Infrastructure Surtax Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 38,943,158	\$ 85,456,260	\$ 148,902,245
-	24,414,917	55,708,561
-	1,096,639	6,473,884
-	97,644	223,197
-	5,470,756	5,470,756
-	425,759	1,584,386
4,191,362	3,790,812	12,082,314
-	1,305,736	2,379,066
527,504	277,676	1,336,990
<u>\$ 43,662,024</u>	<u>\$ 122,336,199</u>	<u>\$ 234,161,399</u>

\$ 1,670,084	\$ 1,547,131	\$ 6,559,010
74,603	130,480	335,009
-	444,651	3,087,355
-	3,040	1,580,099
-	146,497	2,302,223
-	-	2,298,316
-	819,415	865,661
-	9,619	3,530,169
-	60,118	209,658
<u>1,744,687</u>	<u>3,160,951</u>	<u>20,767,500</u>
-	5,470,756	5,470,756
-	1,038,976	3,500,771
-	6,509,732	8,971,527

-	1,305,736	2,379,066
527,504	277,676	1,336,990
-	-	95,064
-	74,632	74,632
-	1,407,756	1,407,756
-	3,498,546	3,498,546
-	3,579,262	11,683,646
40,858,069	296,099	41,154,168
-	4,003,980	12,696,063
-	1,970,253	1,970,253
-	6,552,885	6,552,885
-	12,147,319	12,147,319
-	40,092,408	40,092,408
-	2,993,312	2,993,312
-	3,884,311	3,884,311
-	27,796,455	27,796,455
-	324,277	324,277
-	2,369,414	2,369,414
-	-	14,449,112
-	-	210,286
531,764	5,495	537,259
-	-	297,005
-	5,490	5,490
-	80,210	80,210
-	-	16,386,445
<u>41,917,337</u>	<u>112,665,516</u>	<u>204,422,372</u>
<u>\$ 43,662,024</u>	<u>\$ 122,336,199</u>	<u>\$ 234,161,399</u>

MARION COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
as of September 30, 2018

Total fund balances of governmental funds \$ 204,422,372

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,170,890,976 and the accumulated depreciation and amortization is \$777,799,624. The difference does not include the net capital assets of the internal service funds which are included below. 1,393,091,352

The internal service fund is used by management to charge the costs of risk management services to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position. 5,012,353

At the governmental fund level, special assessments receivables are not available and reported as a deferred inflow of resources. All receivables are included as revenue in the Statement of Activities and therefore, not an unearned revenue on the Statement of Net Position. 5,470,756

At the governmental fund level, some receivables are not available and reported as a deferred inflow of resources. All receivables are included as revenue when earned in the Statement of Activities and therefore, not an unearned revenue on the Statement of Net Position. 3,500,771

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and not reported in governmental funds.		
Deferred outflows of resources for pensions	\$ 82,588,730	
Deferred outflows of resources for OPEB	1,017,043	
Deferred inflows of resources for OPEB	(967,543)	
Deferred inflows of resources for pensions	<u>(22,991,433)</u>	59,646,797

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the Statement of Net Position. The difference does not include the internal service funds which are included above. Long-term liabilities at year-end consist of:		
Bonds payable	47,217,677	
Less: Unamortized bond discounts (to be amortized over life of debt)	(41,100)	
Notes payable	7,637,228	
Deferred charge on refunding	(3,494,906)	
Accrued interest payable	431,648	
Net pension liability	201,475,233	
Compensated absences	18,779,772	
Total other postemployment benefits liability	<u>22,897,590</u>	<u>(294,903,142)</u>

Total net position of governmental activities \$ 1,376,241,259

The notes to the financial statements are an integral part of the financial statements.



MARION COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	General Fund - County Wide	MSTU for Law Enforcement	Silver Springs CRA Trust Fund
REVENUES			
Taxes	\$ 55,548,502	\$ 39,643,266	\$ -
Special Assessments	13,283	-	-
Impact Fees	-	-	-
Permits and Fees	1,550	-	-
Intergovernmental Revenues	36,409,368	334,886	98,963
Charges for Services	29,772,864	1,605,672	-
Judgments and Fines	2,369,862	-	-
Court-Related Revenues	5,273,847	-	-
Investment Income	727,129	297,005	1,627
Miscellaneous Revenues	4,228,230	181,163	-
Total Revenues	134,344,635	42,061,992	100,590
EXPENDITURES			
Current:			
General Government	38,208,695	-	-
Public Safety	106,721,547	1,621,180	-
Physical Environment	961,569	-	-
Transportation	985,809	-	-
Economic Environment	1,347,726	-	52,718
Human Services	13,506,686	-	-
Culture/Recreation	9,719,521	-	-
Court-Related	10,002,870	-	-
Debt Service:			
Principal Retirement	387,393	-	-
Interest and Fiscal Charges	13,959	-	-
Capital Outlay	-	-	-
Total Expenditures	181,855,775	1,621,180	52,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	(47,511,140)	40,440,812	47,872
OTHER FINANCING SOURCES (USES)			
Transfers In	51,471,176	2,302,588	-
Transfers (Out)	(3,319,520)	(42,257,919)	-
Issuance of Capital Lease	641,539	-	-
Total Other Financing Sources and (Uses)	48,793,195	(39,955,331)	-
Net Change in Fund Balances	1,282,055	485,481	47,872
Fund Balances - Beginning	31,131,563	8,503,607	47,192
Fund Balances - Ending	\$ 32,413,618	\$ 8,989,088	\$ 95,064

The notes to the financial statements are an integral part of the financial statements.

Fire, Rescue, and EMS	Infrastructure Surtax Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 8,958,554	\$ 39,591,199	\$ 42,318,721	\$ 186,060,242
29,467,969	-	10,948,118	40,429,370
-	-	3,162,053	3,162,053
105,567	-	5,343,017	5,450,134
818,089	-	7,963,694	45,625,000
48,534	-	5,568,923	36,995,993
9,965	-	519,333	2,899,160
-	-	489,916	5,763,763
210,286	531,764	1,683,688	3,451,499
60,608	-	1,258,640	5,728,641
<u>39,679,572</u>	<u>40,122,963</u>	<u>79,256,103</u>	<u>335,565,855</u>
-	-	1,046,791	39,255,486
40,743,505	-	9,429,995	158,516,227
-	-	4,379,231	5,340,800
-	-	23,330,110	24,315,919
-	-	4,969,423	6,369,867
-	-	1,880,907	15,387,593
-	-	2,889,796	12,609,317
-	-	1,398,296	11,401,166
-	-	6,796,945	7,184,338
-	-	1,574,612	1,588,571
-	19,783,734	438,359	20,222,093
<u>40,743,505</u>	<u>19,783,734</u>	<u>58,134,465</u>	<u>302,191,377</u>
(1,063,933)	20,339,229	21,121,638	33,374,478
575,737	-	1,179,634	55,529,135
(1,047,054)	-	(9,231,997)	(55,856,490)
-	-	-	641,539
<u>(471,317)</u>	-	<u>(8,052,363)</u>	<u>314,184</u>
(1,535,250)	20,339,229	13,069,275	33,688,662
9,876,999	21,578,108	99,596,241	170,733,710
<u>\$ 8,341,749</u>	<u>\$ 41,917,337</u>	<u>\$ 112,665,516</u>	<u>\$ 204,422,372</u>

MARION COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

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

Net change in fund balances - total governmental funds	\$ 33,688,662
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions (\$51,218,498) exceed depreciation (\$48,184,349) in the current period. Total capital additions consist of capital expenditures of \$47,432,414 and non-cash contributions of \$3,786,084.	3,034,149
Special assessment revenues reported in prior year statement of activities that provide current financial resources are reported as revenues in the funds.	(1,908,362)

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Governmental funds report the effect of premiums and discounts when debt is first issued; whereas these amounts are recorded as part of the debt on the statement of net position, and amortized in the statement of activities. The items that make up these differences in the treatment of long-term debt and related items are:

Debt issued or incurred:		
Issuance of bonds	\$	-
Issuance of capital leases		(641,539)
Principal repayments		7,184,338
Amortization of bond discount		(41,100)
Allocation to interest expense on deferred charge on refunding		(291,242)
		<u>\$ 6,210,457</u>

Continued

MARION COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - Continued
For the Year Ended September 30, 2018

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

These adjustments are as follows:

Changes in compensated absences	\$ (2,647,964)	
Changes in accrued interest on long-term debt	<u>50,742</u>	(2,597,222)

Governmental funds report County pension contributions and OPEB benefit payments as expenditures. In the statement of activities, the cost of pension and OPEB benefits earned net of contributions and benefit payments is reported as pension and OPEB expense.

Difference between pension contributions and net pension expense		(11,823,171)
Difference between OPEB benefit payments and net OPEB expense		(760,350)

In the statement of activities, only the loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold/disposed.

(3,670,132)

Under the modified accrual basis of accounting, revenues are recognized when both the measureable and available criteria have been met. Ambulance and housing assistance loan revenues earned in the current year were not recognized since the availability criteria was not met. Under full accrual accounting, all revenues would be recognized.

408,530

The internal service fund is used by management to charge the costs of risk management services to other funds. The net income of the internal service fund is reported with governmental activities.

(3,131,807)

Change in net position of governmental activities

\$ 19,450,754

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND - COUNTY WIDE
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 54,983,448	\$ 54,983,448	\$ 55,548,502	\$ 565,054
Special Assessments	23,750	23,750	13,283	(10,467)
Permits and Fees	2,850	2,850	1,550	(1,300)
Intergovernmental Revenues	37,217,097	37,884,720	36,409,368	(1,475,352)
Charges for Services	26,484,772	26,711,348	29,772,864	3,061,516
Judgments and Fines	1,851,084	2,208,110	2,369,862	161,752
Court-Related Revenues	5,532,090	5,646,265	5,273,847	(372,418)
Investment Income	445,557	500,839	727,129	226,290
Miscellaneous Revenues	14,626,478	7,140,647	4,228,230	(2,912,417)
Total Revenues	<u>141,167,126</u>	<u>135,101,977</u>	<u>134,344,635</u>	<u>(757,342)</u>
EXPENDITURES				
Current:				
General Government	62,230,198	55,439,189	38,208,695	17,230,494
Public Safety	105,134,955	111,119,208	106,721,547	4,397,661
Physical Environment	1,217,164	1,215,591	961,569	254,022
Transportation	991,203	1,005,868	985,809	20,059
Economic Environment	4,984,364	4,990,139	1,347,726	3,642,413
Human Services	16,635,976	17,244,231	13,506,686	3,737,545
Culture/Recreation	11,985,692	11,978,607	9,719,521	2,259,086
Court-Related	11,384,963	11,877,266	10,002,870	1,874,396
Debt Service:				
Principal Retirement	249,428	387,394	387,393	1
Interest and Fiscal Charges	13,963	13,963	13,959	4
Total Expenditures	<u>214,827,906</u>	<u>215,271,456</u>	<u>181,855,775</u>	<u>33,415,681</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,660,780)</u>	<u>(80,169,479)</u>	<u>(47,511,140)</u>	<u>32,658,339</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	97,570,714	103,842,149	51,471,176	(52,370,973)
Transfers (Out)	(51,812,145)	(54,329,688)	(3,319,520)	51,010,168
Issuance of Capital Lease	-	641,540	641,539	(1)
Total Other Financing Sources and (Uses)	<u>45,758,569</u>	<u>50,154,001</u>	<u>48,793,195</u>	<u>(1,360,806)</u>
Net Change in Fund Balance	<u>(27,902,211)</u>	<u>(30,015,478)</u>	<u>1,282,055</u>	<u>31,297,533</u>
Fund Balance - Beginning	<u>27,902,211</u>	<u>30,015,478</u>	<u>31,131,563</u>	<u>1,116,085</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,413,618</u>	<u>\$ 32,413,618</u>

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MSTU FOR LAW ENFORCEMENT
For the Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 39,226,908	\$ 39,226,908	\$ 39,643,266	\$ 416,358
Intergovernmental Revenues	-	557,452	334,886	(222,566)
Charges for Services	792,423	792,423	1,605,672	813,249
Investment Income	44,175	44,175	297,005	252,830
Miscellaneous Revenues	26,600	221,156	181,163	(39,993)
Total Revenues	40,090,106	40,842,114	42,061,992	1,219,878
EXPENDITURES				
Current:				
Public Safety	8,365,662	7,202,360	1,621,180	5,581,180
Total Expenditures	8,365,662	7,202,360	1,621,180	5,581,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,724,444	33,639,754	40,440,812	6,801,058
OTHER FINANCING SOURCES (USES)				
Transfers In	-	2,314,642	2,302,588	(12,054)
Transfers (Out)	(37,937,690)	(43,254,445)	(42,257,919)	996,526
Total Other Financing Sources (Uses)	(37,937,690)	(40,939,803)	(39,955,331)	984,472
Net Change in Fund Balance	(6,213,246)	(7,300,049)	485,481	7,785,530
Fund Balance - Beginning	6,213,246	7,300,049	8,503,607	1,203,558
Fund Balance - Ending	\$ -	\$ -	\$ 8,989,088	\$ 8,989,088

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SILVER SPRINGS CRA TRUST FUND
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ 59,538	\$ 97,185	\$ 98,963	\$ 1,778
Investment Income	635	100	1,627	1,527
Total Revenues	<u>60,173</u>	<u>97,285</u>	<u>100,590</u>	<u>3,305</u>
EXPENDITURES				
Current:				
Economic Environment	63,545	142,612	52,718	89,894
Total Expenditures	<u>63,545</u>	<u>142,612</u>	<u>52,718</u>	<u>89,894</u>
Net Change in Fund Balance	(3,372)	(45,327)	47,872	93,199
Fund Balance - Beginning	<u>3,372</u>	<u>45,327</u>	<u>47,192</u>	<u>1,865</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,064</u>	<u>\$ 95,064</u>

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE, RESCUE, AND EMS
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 8,870,357	\$ 8,870,357	\$ 8,958,554	\$ 88,197
Special Assessments	28,642,774	28,642,774	29,467,969	825,195
Permits and Fees	62,700	62,700	105,567	42,867
Intergovernmental Revenues	90,350	793,642	818,089	24,447
Charges for Services	59,073	59,073	48,534	(10,539)
Judgments and Fines	3,895	3,895	9,965	6,070
Investment Income	179,645	179,645	210,286	30,641
Miscellaneous Revenues	20,330	20,330	60,608	40,278
Total Revenues	<u>37,929,124</u>	<u>38,632,416</u>	<u>39,679,572</u>	<u>1,047,156</u>
EXPENDITURES				
Current:				
Public Safety	48,348,662	49,044,970	40,743,505	8,301,465
Total Expenditures	<u>48,348,662</u>	<u>49,044,970</u>	<u>40,743,505</u>	<u>8,301,465</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,419,538)</u>	<u>(10,412,554)</u>	<u>(1,063,933)</u>	<u>9,348,621</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	575,737	575,737	575,737	-
Transfers (Out)	(1,040,070)	(1,047,054)	(1,047,054)	-
Total Other Financing Sources (Uses)	<u>(464,333)</u>	<u>(471,317)</u>	<u>(471,317)</u>	<u>-</u>
Net Change in Fund Balance	(10,883,871)	(10,883,871)	(1,535,250)	9,348,621
Fund Balance - Beginning	10,883,871	10,883,871	9,876,999	(1,006,872)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,341,749</u>	<u>\$ 8,341,749</u>

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Solid Waste	Marion County Utility	Totals	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 589,455	\$ 13,655,788	\$ 14,245,243	\$ 3,718,717
Restricted Assets Available for Current Liabilities	1,377,257	5,650,851	7,028,108	-
Investments	38,704,950	17,886,428	56,591,378	11,306,629
Accounts Receivable, Net of Allowance for Uncollectible Accounts	153,640	1,488,281	1,641,921	114,077
Accrued Interest Receivable	143,186	68,830	212,016	39,819
Due from Other Governments	2,599	126,642	129,241	-
Inventories	-	732,751	732,751	-
Prepaid Items	276	3,848	4,124	-
Total Current Assets	40,971,363	39,613,419	80,584,782	15,179,242
Noncurrent Assets:				
Restricted Assets:				
Sinking Fund	-	1,540,183	1,540,183	-
Renewal and Replacement	-	1,338,034	1,338,034	-
Landfill Escrow	9,621,947	-	9,621,947	-
Debt Service Reserve	-	4,035,600	4,035,600	-
Less: Portion Classified as Current	(1,377,257)	(5,650,851)	(7,028,108)	-
Total Restricted Assets	8,244,690	1,262,966	9,507,656	-
Prepaid Landfill Fee	20,000,000	-	20,000,000	-
Capital Assets:				
Land	1,043,707	7,730,761	8,774,468	-
Buildings	3,891,905	4,838,250	8,730,155	-
Improvements Other than Buildings	37,217,875	208,375,264	245,593,139	-
Machinery, Equipment, and Vehicles	8,350,944	6,295,564	14,646,508	33,792
Construction in Progress	2,514,459	6,515,910	9,030,369	24,749
Less: Accumulated Depreciation	(39,241,219)	(115,055,908)	(154,297,127)	(29,613)
Total Capital Assets (Net)	13,777,671	118,699,841	132,477,512	28,928
Total Noncurrent Assets	42,022,361	119,962,807	161,985,168	28,928
Total Assets	82,993,724	159,576,226	242,569,950	15,208,170
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amount on Refunding	-	2,645,110	2,645,110	-
Deferred Outflows related to OPEB	14,196	21,938	36,134	1,292
Deferred Outflows related to Pensions	873,549	1,414,181	2,287,730	116,888
Total Deferred Outflows of Resources	\$ 887,745	\$ 4,081,229	\$ 4,968,974	\$ 118,180

Continued

MARION COUNTY, FLORIDA
STATEMENT OF NET POSITION - Continued
PROPRIETARY FUNDS
September 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Solid Waste	Marion County Utility	Totals	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 499,721	\$ 899,494	\$ 1,399,215	\$ -
Contracts Payable	10,378	303,746	314,124	-
Accrued Liabilities	94,149	163,369	257,518	12,910
Compensated Absences Payable	48,095	68,567	116,662	4,095
Net Pension Liability	17,045	28,284	45,329	2,230
Estimated Claims Payable	-	-	-	1,542,449
Total OPEB Liability - Current	14,196	21,938	36,134	1,292
Due to Other Funds	4,000	287	4,287	-
Due to Other Governments	1,769	55,538	57,307	-
Deposits	2,156	647,388	649,544	-
Unearned Revenue	-	-	-	2,228,697
Current Liabilities Payable from Restricted Assets:				
Notes Payable	-	1,622,055	1,622,055	-
Revenue Bonds Payable	-	3,400,000	3,400,000	-
Accrued Interest Payable	-	628,796	628,796	-
Landfill Closure Costs Payable	357,897	-	357,897	-
Remediation Costs Payable	1,019,360	-	1,019,360	-
Total Current Liabilities	2,068,766	7,839,462	9,908,228	3,791,673
Noncurrent Liabilities:				
Compensated Absences Payable	192,379	274,266	466,645	16,378
Net Pension Liability	2,108,017	3,416,252	5,524,269	279,445
Estimated Claims Payable	-	-	-	6,169,796
Total OPEB Liability - Noncurrent	310,548	459,502	770,050	26,689
Unearned Revenue, Connection Fees	-	4,246,556	4,246,556	-
Notes Payable	-	20,320,206	20,320,206	-
Revenue Bonds Payable	-	52,913,484	52,913,484	-
Landfill Closure Costs Payable	25,130,677	-	25,130,677	-
Remediation Costs Payable	1,953,250	-	1,953,250	-
Total Noncurrent Liabilities	29,694,871	81,630,266	111,325,137	6,492,308
Total Liabilities	31,763,637	89,469,728	121,233,365	10,283,981
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows related to OPEB	13,722	20,344	34,066	1,182
Deferred Inflows related to Pensions	219,636	372,334	591,970	28,834
Total Deferred Inflows of Resources	233,358	392,678	626,036	30,016
NET POSITION				
Net Investment in Capital Assets	13,635,887	42,221,343	55,857,230	28,928
Restricted:				
Debt Service	-	4,946,987	4,946,987	-
Capital Projects	-	1,338,034	1,338,034	-
Unrestricted	38,248,587	25,288,685	63,537,272	4,983,425
Total Net Position	\$ 51,884,474	\$ 73,795,049	\$ 125,679,523	\$ 5,012,353

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste	Marion County Utility	Total	Activities - Internal Service Fund
Operating Revenues:				
Charges for Services	\$ 15,186,255	\$ 24,419,606	\$ 39,605,861	\$ 33,344,935
Miscellaneous Revenues	20,656	1,688,460	1,709,116	311,017
Total Operating Revenues	<u>15,206,911</u>	<u>26,108,066</u>	<u>41,314,977</u>	<u>33,655,952</u>
Operating Expenses:				
Personal Services	3,302,997	5,581,494	8,884,491	419,220
Contracted Services	26,937,894	1,206,205	28,144,099	-
Supplies and Materials	656,958	1,116,643	1,773,601	-
Repairs and Maintenance	1,646,053	1,022,256	2,668,309	-
Other Services and Charges	729,814	2,303,368	3,033,182	-
Depreciation	1,940,294	10,876,824	12,817,118	7,205
Provision for Closure and Long Term Care	4,221,629	-	4,221,629	-
Provision for Pollution Remediation	(914,971)	-	(914,971)	-
Premiums/Claims Expense	149,059	392,871	541,930	36,440,085
Total Operating Expenses	<u>38,669,727</u>	<u>22,499,661</u>	<u>61,169,388</u>	<u>36,866,510</u>
Operating Income (Loss)	<u>(23,462,816)</u>	<u>3,608,405</u>	<u>(19,854,411)</u>	<u>(3,210,558)</u>
Nonoperating Revenues (Expenses):				
Grants	157,575	371,754	529,329	-
Investment Income	411,623	218,939	630,562	76,661
Interest and Fiscal Charges Expense	-	(2,612,721)	(2,612,721)	-
Gain (Loss) on Disposal of Capital Assets	331	86,812	87,143	-
Total Nonoperating Revenues (Expenses)	<u>569,529</u>	<u>(1,935,216)</u>	<u>(1,365,687)</u>	<u>76,661</u>
Income (Loss) Before Transfers and Contributions	<u>(22,893,287)</u>	<u>1,673,189</u>	<u>(21,220,098)</u>	<u>(3,133,897)</u>
Transfers In	352,513	-	352,513	-
Transfers (Out)	(6,222)	(15,425)	(21,647)	(3,511)
Capital Contributions	2,966	6,430	9,396	5,601
Water Connection Fees	-	1,576,762	1,576,762	-
Waste Water Connection Fees	-	2,261,592	2,261,592	-
Capital Grants	-	353,248	353,248	-
Change in Net Position	<u>(22,544,030)</u>	<u>5,855,796</u>	<u>(16,688,234)</u>	<u>(3,131,807)</u>
Total Net Position - Beginning, as Restated	<u>74,428,504</u>	<u>67,939,253</u>	<u>142,367,757</u>	<u>8,144,160</u>
Total Net Position - Ending	<u>\$ 51,884,474</u>	<u>\$ 73,795,049</u>	<u>\$ 125,679,523</u>	<u>\$ 5,012,353</u>

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETY FUNDS
For the Year Ended September 30, 2018

	Business-type - Enterprise Funds			Governmental Activities - Internal Service Fund
	Solid Waste	Marion County Utility	Total	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 15,249,017	\$ 25,817,185	\$ 41,066,202	\$ 33,785,446
Payments to Suppliers	(31,191,182)	(6,395,709)	(37,586,891)	(35,122,389)
Payments to Employees	(3,162,392)	(5,553,889)	(8,716,281)	(399,049)
Net Cash Provided (Used) by Operating Activities	(19,104,557)	13,867,587	(5,236,970)	(1,735,992)
Cash Flows from Noncapital Financing Activities				
Transfers to Other Funds	(6,222)	(15,425)	(21,647)	(3,511)
Transfers from Other Funds	352,513	-	352,513	-
Subsidy from Federal/State Grants	157,575	371,754	529,329	-
Net Cash Provided (Used) by Noncapital Financing Activities	503,866	356,329	860,195	(3,511)
Cash Flows from Capital and Related Financing Activities				
Grants Received for Capital Purposes	-	353,248	353,248	-
Water Connection Fees	-	1,576,762	1,576,762	-
Waste Water Connection Fees	-	2,261,592	2,261,592	-
Acquisition/Construction of Capital Assets	(759,572)	(9,018,738)	(9,778,310)	(24,749)
Principal Paid on Capital Debt	-	(4,907,500)	(4,907,500)	-
Interest Paid on Capital Debt	-	(2,535,492)	(2,535,492)	-
Purchase of Utility Credits	-	-	-	-
Proceeds from Disposal of Capital Assets	1,657	87,288	88,945	-
Net Cash (Used) by Capital and Related Financing Activities	(757,915)	(12,182,840)	(12,940,755)	(24,749)
Cash Flows from Investing Activities				
(Purchase) of Investments	-	(65,564)	(65,564)	-
Sale of Investments	8,784,079	-	8,784,079	3,329,078
Interest Received	420,023	206,994	627,017	83,560
Net Cash Provided by Investing Activities	9,204,102	141,430	9,345,532	3,412,638
Net Increase (Decrease) in Cash and Cash Equivalents	(10,154,504)	2,182,506	(7,971,998)	1,648,386
Cash and Cash Equivalents at Beginning of Year	20,365,906	18,387,099	38,753,005	2,070,331
Cash and Cash Equivalents at End of Year	\$ 10,211,402	\$ 20,569,605	\$ 30,781,007	\$ 3,718,717
Cash and Cash Equivalents Classified As:				
Current Assets	\$ 589,455	\$ 13,655,788	\$ 14,245,243	\$ 3,718,717
Current Restricted Assets	1,377,257	5,650,851	7,028,108	-
Noncurrent Restricted Assets	8,244,690	1,262,966	9,507,656	-
Total Cash and Cash Equivalents	\$ 10,211,402	\$ 20,569,605	\$ 30,781,007	\$ 3,718,717

Continued

MARION COUNTY, FLORIDA
STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For the Year Ended September 30, 2018

Business-type Activities - Enterprise Funds

	<u>Solid Waste</u>	<u>Marion County Utility</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ (23,462,816)	\$ 3,608,405	\$ (19,854,411)	\$ (3,210,558)
Depreciation	1,940,294	10,876,824	12,817,118	7,205
Amortization	-	-	-	-
Provision for Closure and Postclosure	4,221,629	-	4,221,629	-
Provision for Pollution Remediation	(914,971)	-	(914,971)	-
Pensions Related Deferred Outflows	29,012	48,139	77,151	3,798
OPEB Related Deferred Outflows	3,074	3,665	6,739	196
Pensions Related Deferred Inflows	69,890	115,970	185,860	9,145
OPEB Related Deferred Inflows	13,722	20,344	34,066	1,182
Provision for Net Pension Liability	22,978	38,128	61,106	3,006
Provision for Other Postemployment Benefits	(5,785)	(8,575)	(14,360)	(498)
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	27,931	(349,998)	(322,067)	106,069
(Increase) Decrease in Prepays	392	(2,077)	(1,685)	-
(Increase) Decrease in Due from Other Funds	-	287	287	-
(Increase) Decrease in Due from Other Governments	26,314	(126,642)	(100,328)	-
(Increase) Decrease in Inventories	-	2,428	2,428	-
Increase (Decrease) in Accounts Payable	(1,051,498)	(412,934)	(1,464,432)	-
Increase (Decrease) in Contracts Payable	(20,582)	(35,251)	(55,833)	-
Increase (Decrease) in Accrued Liabilities	8,193	2,852	11,045	312
Increase (Decrease) in Due to Other Governments	284	2,152	2,436	-
Increase (Decrease) in Customer Deposits	(12,139)	62,746	50,607	-
Increase (Decrease) in Unearned Revenue	-	(3,629)	(3,629)	23,425
Increase (Decrease) in Compensated Absences	(479)	24,753	24,274	3,030
Increase (Decrease) in Claims Payable	-	-	-	1,317,696
Total Adjustments	<u>4,358,259</u>	<u>10,259,182</u>	<u>14,617,441</u>	<u>1,474,566</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (19,104,557)</u>	<u>\$ 13,867,587</u>	<u>\$ (5,236,970)</u>	<u>\$ (1,735,992)</u>

The County had no noncash investing, capital, and financing activities during fiscal year ended September 30, 2018.

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2018

ASSETS

Cash and Cash Equivalents	\$ 15,697,597
Accounts Receivable	220,254
Due from Other Governments	441,060
Due from Individuals	109,645
Total Assets	\$ 16,468,556

LIABILITIES

Due to Other Governments	3,027,542
Due to Individuals	9,015,159
Deposits	4,425,855
Total Liabilities	\$ 16,468,556

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2018

	Marion County Law Library	Marion County Housing Finance Authority	Total Component Units
ASSETS			
Cash and Cash Equivalents	\$ 145,072	\$ 498,761	\$ 643,833
Accounts Receivable	583	131,853	132,436
Due From Other Governments	10,428	-	10,428
Prepaid Items	867	-	867
Capital Assets, net	110,176	-	110,176
Total Assets	\$ 267,126	\$ 630,614	\$ 897,740
LIABILITIES			
Accounts Payable	\$ 11,394	\$ -	\$ 11,394
Accrued Liabilities	640	-	640
Unearned Revenue	728	-	728
Total Liabilities	12,762	-	12,762
NET POSITION			
Investment in Capital Assets	110,176	-	110,176
Unrestricted	144,188	630,614	774,802
Total Net Position	\$ 254,364	\$ 630,614	\$ 884,978

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
STATEMENT OF ACTIVITIES - COMPONENT UNITS
For the Year Ended September 30, 2018

	Marion County Law Library	Marion County Housing Finance Authority	Total Component Units
EXPENSES			
Court Related	\$ 148,586	\$ -	\$ 148,586
Economic Environment	-	7,797	7,797
Total Operating Expenses	<u>148,586</u>	<u>7,797</u>	<u>156,383</u>
PROGRAM REVENUES			
Charges for Services	152,235	-	152,235
Net Program (Revenue) Expenses	<u>(3,649)</u>	<u>7,797</u>	<u>4,148</u>
GENERAL REVENUES			
Investment Income	70	1,304	1,374
Miscellaneous	189	-	189
Total General Revenues	<u>259</u>	<u>1,304</u>	<u>1,563</u>
Increase (Decrease) in Net Position	<u>3,908</u>	<u>(6,493)</u>	<u>(2,585)</u>
Net Position - Beginning	<u>250,456</u>	<u>637,107</u>	<u>887,563</u>
Net Position - Ending	<u>\$ 254,364</u>	<u>\$ 630,614</u>	<u>\$ 884,978</u>

The notes to the financial statements are an integral part of the financial statements.

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

INDEX TO NOTES

	PAGE
NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
Reporting Entity	42
Government-wide and Fund Financial Statements	43
Measurement Focus, Basis of Accounting, and Financial Statement Presentation	44
Budgetary Requirements	46
Property Taxes	47
Tax Abatements	48
Interfund Payables, Receivables and Transactions	48
Cash and Cash Equivalents	48
Equity in Pooled Cash	48
Investments	48
Inventories & Prepaid Items	48
Restricted Assets	49
Utility Receivables	49
Special Assessment Receivables	49
Ambulance Receivables	49
SHIP Loan Receivables	49
Capital Assets	49
Compensated Absences	50
Landfill Closure Costs	50
Long-Term Liabilities	50
Net Pension Liability	50
Unearned Revenues	50
Self-Insurance Claims	50
Grants Revenues	51
Deferred Outflows and Deferred Inflows of Resources.....	51
Fund Balance Reporting and Governmental Fund-Type Definitions	51
Net Position	52
NOTE 2 – DEPOSITS AND INVESTMENTS	
Cash and Cash Equivalents	52
Investment Portfolio	53
Interest Rate Risk	54
Credit Risk	54
Custodial Credit Risk	55
Concentration of Credit Risk	55
NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS	56
NOTE 4 - CAPITAL ASSETS	
Changes in Capital Assets	57
Summary of Capital Assets	60
Construction Commitments	60
Capital Assets under Lease Purchase Commitments	60
NOTE 5 – LONG-TERM LIABILITIES	
Schedule of Changes in Long-Term Liabilities	61
Bonds Payable	62
Notes Payable	63
Debt Service Requirements	63
Pledged Revenues	64
Defeased Debt	65
Compensated Absences	65
Landfill Closure Costs	65
Bond Covenant Requirements	65
NOTE 6 – RISK MANAGEMENT PROGRAM	66
NOTE 7 – RETIREMENT SYSTEM	
The Florida Retirement System.....	67
Net Pension Liability, Deferred Outflows/Inflows of Resources, and Pension Expense for County	
Defined Benefit Pension Plans.....	70
Defined Contribution Retirement Plan.....	71

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY	
Plan Description, Benefit Terms and Contribution Requirements.....	72
Total OPEB Liability and Changes in Total OPEB Liability.....	73
Actuarial Assumptions and OPEB Liability Sensitivity to Healthcare Trend Rate.....	73
Discount Rate and OPEB Liability Sensitivity to Discount Rate.....	74
OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB.....	74
NOTE 9 – DEFERRED OUTFLOWS OF RESOURCES ON REFUNDING	75
NOTE 10 – RESTRICTED NET POSITION FOR OTHER PURPOSES	75
NOTE 11 – COMMITMENTS AND CONTINGENCIES	75
NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLES	76

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Marion County, Florida (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant County accounting policies are described below.

A. Reporting Entity

The County is a political subdivision of the State of Florida established by the Constitution of the State of Florida, Article VIII, Section 1(e). It is governed by an elected Board of County Commissioners (the "Board") which is governed by state statutes and regulations. In addition to the Board, there are five elected Constitutional Officers: Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. The Constitutional Officers maintain separate accounting records and budgets. The Board funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers. The General Funds of the Constitutional Officers are consolidated as part of the County General Fund, and other funds of the Constitutional Officers are presented as either special revenue funds or agency funds as appropriate within the County's financial statements.

As required by GAAP, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which were legally separate in order to determine which organizations, if any, should be included in the County's financial statements. Management determined that the Dunnellon Airport Authority, the Marion County Community Redevelopment Agency, the Rainbow Lakes Estates Municipal Services District, the Marion County Housing Finance Authority, and the Marion County Law Library were the only organizations that should be included in the County's financial statements as component units.

1. Blended Component Units

Dunnellon Airport Authority – The Dunnellon Airport Authority was established under the laws of Florida, Chapter 81-436, and Marion County Code Section A3-1 through A3-14. The Marion County Board of County Commissioners acts as the governing board of the Dunnellon Airport Authority, selects management, establishes budgets, and controls all aspects of general aviation, airport management, operations and development. The Dunnellon Airport is reported as a special revenue fund. Separate financial statements for the Dunnellon Airport Authority have not been developed.

Marion County Community Redevelopment Agency – The Marion County Community Redevelopment Agency (CRA) was created pursuant to Chapter 163.356, Florida Statutes, County Ordinance 13-14, and County Resolution 13-R-169. The Marion County Board of County Commissioners serves as the CRA Board and has operational responsibility for the CRA. Although legally separate, the CRA is appropriately blended as a governmental fund type component unit into the primary government. Pursuant to Chapter 163.387, Florida Statutes and County Ordinance 13-15, the Silver Springs Community Redevelopment Area Trust Fund was established to account for the designated redevelopment program in accordance with the Silver Springs Redevelopment Plan. This CRA is presented as a major governmental fund.

Rainbow Lakes Estates Municipal Services District – The Rainbow Lakes Estates Municipal Services District was created under the laws of Florida, Chapter 69-1298 and Marion County Code Sections A5-1 through A5-7. The Marion County Board of County Commissioners acts as the governing authority of the district, thus having significant influence over their operations and fiscal management, and has operational responsibility for the district. The taxing district is reported as a special revenue fund. Separate financial statements for the Rainbow Lakes Estates Municipal Services District are available at the County Clerk's office.

2. Discretely Presented Component Units

Marion County Law Library – The Marion County Law Library was created under Florida Statutes Sections 28.2401, 28.241, and 34.041, and Marion County Code Section 2-16, which provides for a law library for the courts of Marion County, members of the Bar, and the general public. The Marion County Law Library is composed of a Board of Trustees who are appointed and whose tenure of office is designated by the Senior Circuit Judge (Ex-Officio Chairman of the Board of Trustees) sitting in Marion County. The Board of Trustees is composed of the chief circuit court judge and three attorneys who serve in an advisory capacity. The Board establishes the fees charged and collected on court actions in support of the Marion County Law Library, and the Board is thereby financially accountable. Therefore, the Marion County Law Library is included as a discretely presented component unit of the reporting entity. Separate financial statements for the Marion County Law Library are available at their administrative offices located in the Marion County Judicial Center, 110 N.W. 1st Avenue, Ocala, Florida 34475.

Marion County Housing Finance Authority – The Marion County Housing Finance Authority was established under Florida Statutes, Section 159.601, and Marion County Code Sections 2-96 through 2-101. The Board does not maintain budgetary control over the operating costs of the Marion County Housing Finance Authority. However, the Board is financially accountable for the activities of the Marion County Housing Finance Authority since the Board both (a) appoints a voting majority of the Authority's governing body, and (b) has the ability to impose its will by removing voting members of the Authority's governing body. Therefore, the Marion County Housing Finance Authority is included as a discretely presented component unit of the reporting entity. The Marion County Housing Finance Authority is accounted for as a single governmental fund. Separate financial statements for the Marion County Housing Finance Authority have not been developed.

3. Related Organizations

The County is responsible for appointing members of boards to other organizations, but is not accountable for these organizations. The following related organizations are not included in the reporting entity:

- i. Marion County Hospital District
- ii. Marion County Industrial Development Authority

B. Government-wide and Fund 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 primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect Expenses* are those costs that are allocated to functions and activities in accordance with the County's adopted indirect cost allocation plan. Interfund services provided and used are not eliminated in the process of consolidation. The "Expenses" column includes both direct and indirect expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

1. Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

2. Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Receivables collected after 60 days are reported as deferred inflows of resources until the revenue becomes available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

Major funds are determined at the fund level. Non major governmental funds are combined for financial reporting purposes.

The County reports the following major governmental funds:

- The *General Fund* is the government's 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 includes the Board of County Commissioners, Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector.
- The *MSTU for Law Enforcement Fund* is a special revenue fund, created pursuant to Section 125.01, Florida Statutes, to account for the costs of providing the Sheriff's patrol and criminal investigation division services to a geographic area encompassing nearly all of the unincorporated areas of the County. The primary source of funding for this service is ad valorem taxes levied on the areas established by the taxing unit.

- The *Silver Springs CRA Trust Fund* is a special revenue fund created by the Board pursuant to Section 163.387, Florida Statutes to account for the funds used to finance community redevelopment within the Silver Springs Community Redevelopment Area, in accordance with the Silver Springs Community Redevelopment Plan. The primary source of funding is from tax increment financing provided by increased ad valorem tax value in the geographically designated area.
- The *Fire, Rescue and EMS Fund* is a special revenue fund created by the Board pursuant to Section 125.01, Florida Statutes, to account for the provision of fire protection, rescue services and emergency medical services to those portions of the unincorporated area of the County for which these activities are not otherwise provided. The primary sources of revenue in this fund are generated through the levy and collection of a special per-parcel assessment levied only in the covered area, and a levy of ad valorem tax within the areas of Marion County.
- The *Infrastructure Surtax Capital Projects Fund* is a capital project fund created by the Board to account for the proceeds from the one percent infrastructure surtax and related expenditures.

The County reports the following major enterprise funds:

- The *Solid Waste System Fund* accounts for the fiscal activity of all solid waste disposals within the County.
- The *Marion County Utility Fund* accounts for the fiscal activity of providing water and wastewater services to residential and commercial customers countywide.

Additionally, the County reports the following fund types:

- *Special Revenue Funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- *Debt Service Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt Service funds are also used to report resources if legally mandated, and financial resources that are being accumulated for principal and interest maturing in future years.
- *Capital Projects Funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital outlay. Capital Project funds exclude capital-related outflows financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.
- The *Internal Service Fund* accounts for the activities of the County's risk management program. Activities include amounts collected and the claims paid for the County's workers' compensation, property, general liability, and prescription medicine self-insurance, as well as to account for the premiums received and disbursed to a third party insurer for the County employees' major medical, disability income, and life insurance.
- *Agency Funds* are custodial in nature, and are therefore, excluded from the government-wide financial statements. These Funds are used to account for assets held by the County as an agent for individuals, private organizations and other governments. The resources include fines, forfeitures and filing fees collected for other governmental agencies, child support payments, jury and witness services, posted bonds collected for individuals, prisoner's funds, confiscated monies held as evidence, Sheriff's fees for serving papers, property taxes and fees for licenses.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds and of the County's internal service fund are charges to customers for sales and services. Included in Solid Waste charges for service are non ad valorem assessments for landfill fees. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed for their intended purposes.

D. Budgetary Requirements

The following procedures are utilized by the County in establishing and/or amending the budgetary information contained in the financial statements:

- 1) On or before June 1 of each year, the Clerk of the Circuit Court and Comptroller (the "Clerk"), Sheriff, Supervisor of Elections and Tax Collector each submit a proposed operating budget for the ensuing fiscal year to the Board.
- 2) The proposed operating budget of the Property Appraiser must be presented to the Board on or before June 1 of each year and is simultaneously submitted by the Property Appraiser to the State of Florida, Department of Revenue, from which the final approval of the budget of the Property Appraiser must emanate.
- 3) On or before July 15 of each year, or within 15 days after the receipt of certified taxable property values from the Property Appraiser, whichever occurs last, the Clerk, as Clerk to the Board (and Budget Officer), presents to the Board a proposed budget for the fiscal year commencing the following October 1. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budgets as submitted contain balanced statements of estimated revenues (including unexpended fund balances to be carried forward) and proposed appropriations for each fund required to be presented by law or by sound financial practices, including the general, special revenue, debt service, and capital projects funds.
- 4) Following a preliminary review of the proposed budgets by the Board, whose members make such changes as are deemed necessary (provided that the proposed budget for each fund remains balanced), the Board causes a notice of proposed property taxes to be mailed to each County property taxpayer. Included in the notice is a statement of the Board's intent to hold a public hearing to consider adoption of the tentative millage rates and budgets, as well as a comparison of the taxpayer's proposed property tax bill with the actual tax bill of the preceding year.
- 5) Following successful completion of the above referenced public hearings, the Board advertises and subsequently conducts a second public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These public hearings are ordinarily held prior to October 1 each year. If, however, for some reason the Board is unable to finally adopt a budget prior to October 1, state law permits the readoption by resolution of the budget of the preceding year as an interim measure.
- 6) Pursuant to the provisions of Section 129.07, Florida Statutes, the Board is prohibited from expending or contracting for the expenditure of any amount in excess of the total amount budgeted in any fund. It is, however, legally permissible at the present time for the budgets of individual departments included within a particular fund to be over expended in total without requiring mandatory action by either the Board, the Clerk, as Clerk to the Board (and Budget Officer), or the County Administrator. Transfers of appropriate amounts between funds require approval of the Board.
- 7) Subsequent to final adoption of the budget by the Board, changes to the budget, as enacted, may be made when revenues not anticipated in the original budget are received that management wishes to appropriate during the current fiscal year, resulting in an increase to the total appropriations of a fund. All other changes to total fund appropriations may only be made through adoption of a budget ordinance or resolution following a public hearing.

- 8) Adoption and execution of the budgets are governed in accordance with applicable provisions of the Florida Statutes.
- 9) Formal budgetary integration at the object level is used as a management control device for all governmental funds of the County for which annual budgets are adopted, including the general, special revenue, debt service, and capital projects funds. Pro forma project length budgets are provided to the Board for certain capital projects for informational purposes only. The level at which expenditures may not legally exceed appropriations is the fund level. For instances when the expenditures exceed the appropriation, there would be corresponding increase in unbudgeted revenue.
- 10) Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.
- 11) All appropriations lapse at the end of each fiscal year, although the County expects to honor purchase orders and contracts in process, subject to authority provided in the subsequent year's budget.

E. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit counties to levy property taxes at a rate of up to 10 mills for countywide purposes and an additional 10 mills for non-countywide purposes for municipal services with such additional 10 mills limit inclusive of municipal service levies of other local government entities.

The tax levy of the County is established by the Board prior to October 1 of each year and the Tax Collector incorporates the millages into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirements and produces the tax bill.

All property is reassessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Delinquent taxes on real property bear interest at 18% per year or as bid in a public sale of tax certificates. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County. Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven-year statute of limitations.

The County does not accrue its portion of the County-held tax sale certificates or personal property tax warrants because such amounts are not considered to be material.

Key dates in the property tax cycle for the fiscal year ended September 30, 2018 are as follows:

Assessment Roll certified	June 2017
Beginning of fiscal year for which taxes are being levied	October 2017
Property taxes levied	October 2017
Tax bills issued	November 1, 2017
Property taxes due by:	
For maximum discount	November 30, 2017
Delinquent after	March 31, 2018
Tax certificates (liens) sold on unpaid property taxes	No later than June 1, 2018

F. Tax Abatements

GASB Statement No. 77, *Tax Abatement Disclosures* was effective for the financial statements of the County as of September 30, 2017. The statement requires disclosure of tax abatement information about the County's tax abatement agreements and those entered by other governments that reduce the County's tax revenues. The County has evaluated this statement and has determined no agreements meet the criteria to be disclosed.

G. Interfund Payables, Receivables, and Transactions

Unpaid amounts of interfund transactions at year end are reflected as "due from other funds" or "due to other funds" in the related fund financial statements. Noncurrent portions of interfund payables and receivables are reported as advances. In governmental funds, advances are offset equally by nonspendable fund balance unless the advanced funds are restricted or committed.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it, which are applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

H. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include equity in pooled cash, cash on hand, demand deposit accounts and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased.

I. Equity in Pooled Cash

The Board maintains a pooled cash fund which allows the various funds of the Board to pool monies for investment purposes. The Board maintains records to identify the equity of each fund investing in the pool as well as amounts borrowed from the pool. Investment earnings of the pool are recorded as earned and are allocated to the participating funds based on the respective funds average daily balance. The equity in pooled cash consists of cash which can be liquidated without penalty or delay.

J. Investments

The County's investments include U.S. Treasuries, Federal Instrumentalities, Corporate Notes/Obligations, Money Market Funds, and Municipal Bonds. Investments with a maturity greater than five and a half (5.50) years when purchased require the Clerk's approval prior to purchase. All investments are carried at fair value except Federated Money Market Fund, which is reported at amortized cost.

K. Inventories and Prepaid Items

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. Annual inventory expenditures reflect supplies consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These payments are recorded as expenditures or expenses when consumed rather than when purchased.

L. Restricted Assets

The use of certain assets of enterprise funds and debt service funds are restricted by specific provisions of bond resolutions. Assets so designated are identified as restricted assets on the statement of net position and balance sheet since their use is limited.

M. Utility Receivables

Utility receivables are shown net of allowance for uncollectible accounts. Utility accounts receivable in excess of 120 days comprise the utility accounts receivable allowance for uncollectible accounts. Water and wastewater operating revenues are generally recognized on the basis of cycle billings rendered monthly. The receivables at the end of the fiscal year include an allowance for uncollectible accounts in the amount of \$650,000.

N. Special Assessment Receivables

The Board imposes special assessments against property located within specified areas, as set forth in the Assessment Resolution, for the construction of improvements. The assessment of each parcel is based upon either the lineal feet of frontage along the areas to be improved or per lot. The assessments will be collected on the ad valorem tax bill, as authorized by Section 197.3632 of the Florida Statutes.

O. Ambulance Receivables

Marion County Fire Rescue provides ground-based ambulance services, as well as basic and advanced life support services to the citizens of Marion County. The receivable for ambulance services at the end of the fiscal year includes an allowance for uncollectable accounts in the amount of \$2.75 Million.

P. State Housing Initiative Partnership (SHIP) Loan Receivables

In accordance with the Marion County SHIP Local Housing Assistance Plan, Marion County's Demolition and Reconstruction Loan Program is designed to replace existing uninhabitable or dilapidated structures for homeowners that do not have alternative housing or financial resources to alleviate the situation. Marion County provides interest free loans to qualifying low income applicants, with equal monthly payments of the principle loan balance amortized for 30 years.

Q. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property and equipment with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Buildings and improvements with initial, individual costs that equal or exceed \$25,000 are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Infrastructure assets are reported on a network and sub-system basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. The historical cost for the initial reporting of these assets was obtained through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As more capital assets are acquired or constructed, they are capitalized and reported at the historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

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

Capital Assets are depreciated over their estimated useful lives unless they are inexhaustible or are intangible assets with indefinite useful lives. The term depreciation (and related forms of the term) includes amortization of intangible assets. Property, plant, equipment and computer software are depreciated/amortized using the straight line method over the following estimated useful lives:

Buildings and Improvements	10-30 Years
Landfill and Water/Sewer Structures	10-30 Years
Machinery, Equipment and Vehicles	5 Years
Computer Software	5 Years
Infrastructure	15-50 Years

R. Compensated Absences

The County's reporting of accumulated unused compensated absences has been recorded in accordance with GASB Statement No. 16. A liability is accrued for an employee's rights to receive compensation for future absences when certain conditions are met. In general, it is the County's policy to grant all permanent full-time and part-time employees leave based upon the number of years of employment. Employees are encouraged to use their annual leave in the year that it is earned. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for this amount is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

S. Landfill Closure Costs

The Board recognizes municipal solid waste landfill closure and postclosure care costs under the State of Florida's Solid Waste Management Act of 1988, regulations of the Federal Environmental Protection Agency, and the Governmental Accounting Standards Board Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. The Board is required to place a final cover on closed landfills and to provide long-term care for up to thirty years after final cover. These obligations for closure and postclosure are recognized in the enterprise fund for the County's landfill operations over the active life of the landfill, based on landfill capacity used to date.

T. Long-Term Liabilities

Long-term liabilities which are expected to be financed from governmental funds are accounted for as debt service expenditures in related funds. For proprietary fund types, long-term debt and other obligations are reported as liabilities in the fund financing the obligation.

U. Net Pension Liability

In the government-wide and proprietary fund statements, the net pension liability represents the County's proportionate share of the net pension liability of the cost-sharing pension plans in which it participates. This liability represents a share of the present value of projected benefit payments to be provided through the cost-sharing plans, less the amount of the cost-sharing plans' fiduciary net position. The County participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by the Florida Division of Retirement. The County allocated the net pension liability, deferred outflows for pensions, deferred inflows for pensions, and pension expense to funds and functions/activities based on their respective contributions made to the pension plans for that fiscal year.

V. Unearned Revenues

Unearned revenues in governmental funds represent funds for programs continuing into the next year. Unearned revenues reported on applicable proprietary fund types represent revenues for connection fees and other revenues received in advance. The unearned revenues will be recognized as revenue in the fiscal year in which customer connections are made to the County utility system and other items are earned.

W. Self-Insurance Claims

Liabilities for reported claims and incurred but not reported claims are estimated based on an actuarial review of historical experience and claims pending against the County.

X. Grants Revenues

Program and capital grants received by governmental funds are recorded in the applicable governmental fund as receivables and revenues at the time reimbursable costs are incurred and all significant grant restrictions are satisfied. Grant revenues received in advance of meeting all major grant restrictions are reported as unearned or advanced.

Y. Deferred Outflows and Deferred Inflows of Resources

In addition to assets and liabilities, the County reports the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure or expense) until that applicable time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that applicable time.

The County reports three items that qualify as deferred outflows of resources on its government-wide and proprietary statements of net position, the deferred amount on refunding, deferred outflows for OPEB and deferred outflows for pensions. The deferred amounts on refunding resulted from debt refinancing whereby the reacquisition price of the refunding debt instruments exceeded their net carrying amount. This deferred amounts on refunding are systematically charged to interest expense over the life of the refunding debt. The deferred outflows for OPEB are an aggregate of items related to OPEB as calculated in accordance with GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*. The deferred outflows for pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This deferred outflows for OPEB and pensions will be recognized as pension expense or a reduction of the net OPEB or pension liabilities in future reporting years.

The County reports two items that qualify as deferred inflows of resources on its government-wide and proprietary statements of net position, the deferred inflows for OPEB and deferred inflows for pensions. The deferred inflows for OPEB are an aggregate of items related to OPEB as calculated under the same principles as the deferred outflows for OPEB. The deferred inflows for pensions are an aggregate of items related to pensions as calculated under the same principles as the deferred outflows for pensions. Both will be recognized as a reduction to OPEB or pension expense in future reporting years.

The County also reports deferred inflows of resources on applicable governmental fund statements that represent revenues which are measurable but not available, in accordance with the modified accrual basis of accounting. These deferred inflows will be recognized as revenue in the fiscal year they are earned or become available. The majority of these deferred inflows of resources represent special assessment liens, ambulance revenues, and grant funds.

Z. Fund Balance Reporting and Governmental Fund-Type Definitions

The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. The change in the governmental fund type definition resulted in the re-classifying of certain special revenue funds to the general fund for reporting purposes. The Board of County Commissioners is the County's highest level of decision-making authority.

Governmental fund balances are classified either as nonspendable or spendable. Spendable fund balances are further classified below nonspendable in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

Nonspendable fund balance - include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. Nonspendable governmental fund balances at September 30, 2018 are for inventories and prepaid items.

Restricted fund balance – include amounts that can be spent only for the specific purposes stipulated by external resources providers either constitutionally or thru enabling legislation. Examples include grants and impact fees.

Committed fund balance – include amounts that can only be used for the specific purpose determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only

by the government taking the same formal action of an Ordinance approved by the Board at the County's regular meeting that imposed the constraint originally.

Assigned fund balance – include amounts intended to be used by the government for specific purposes. Currently, the Board has not officially designated anyone with the authority to assign fund balance to a specific purpose as approved by the fund balance policy. Currently, only the Board has the authority to assign fund balance through action other than ordinance. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that the resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance – is the residual classification of the general fund only and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

It is the County's goal to maintain an adequate general fund unassigned fund balance to provide liquidity to meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency or unanticipated expenditures and/or revenue shortfalls. It is the goal of the County to maintain an unassigned fund balance in the general fund sufficient to cover 20% of recurring expenditures. If at the end of any fiscal year the actual amount of unassigned fund balance falls below the targeted levels, the Board shall prepare and submit in conjunction with the proposed budget a plan for budget adjustments necessary to restore the minimum requirements.

When multiple categories of fund balance are available for expenditures, the County will start with the most restricted category in its order of use (restricted resources are used first, followed by committed resources, followed by assigned resources). Unassigned fund balance is used when expenditures are incurred for purposes which amounts in any classification could be used.

AA. Net Position

In accordance with GAAP, net position of proprietary funds, governmental activities and business-type activities are made up of three components. *Net investment in capital assets* represents net capital assets less related long-term liabilities, where unspent debt proceeds increase this amount. *Restricted net position* represent assets that are legally restricted for specific purposes. They include bond sinking and reserve funds, special revenues restricted by statute, ordinance, and bond proceeds and other sources restricted for capital projects or improvements. The balance of net position is considered *unrestricted net position*.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Cash and Cash Equivalents

At September 30, 2018, the County's carrying value of cash and cash equivalents totaled \$199,099,566, which is presented as \$183,401,969 in the statement of net position and \$15,697,597 in the statement of fiduciary assets and liabilities, and is made up of the items following in this paragraph. The carrying amount of the County's cash deposit accounts was \$44,379,931. Cash with a fiscal agent totaled \$328,723. The County's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. The County's cash deposits are fully insured by the Public Deposits Trust Fund. Additionally, funds are placed with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund (Florida Prime Investment Pool), created by Section 218.405, Florida Statutes. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

The County's investments in the Florida Prime Investment Pool as of September 30, 2018 were \$154,390,912. These investments are similar to money market funds in which units are owned in the fund rather than the underlying investments. These investments are reported at amortized cost and meet the requirements of GASB Statement No. 31, as amended by GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from the Florida Prime Investment Pool; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the fund's executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

The Florida Prime Investment Pool had a dollar weighted average days to maturity (WAM) of 33 days as of September 30, 2018. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.

B. Investment Portfolio

The Board of County Commissioners (Board) and Clerk of the Circuit Court and Comptroller (Clerk) formally adopted comprehensive investment policies on October 3, 2000. The Tax Collector formally adopted a comprehensive investment policy on October 20, 2006. The policies were created pursuant to Section 218.415, Florida Statutes and established permitted investments, asset allocation limits, issuer limits, credit ratings requirements, and maturity limits to protect the County's cash and investment assets. The Board maintains a common cash and investment pool for the use of all funds. In addition, cash and investments are separately held by the Board's special revenue, debt service, capital projects, enterprise and trust funds.

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The Board adopted a list of permitted investments by ordinance and updated their Investment Policy on March 3, 2015. The Ordinance (15-03) allows for the following investments: The U.S. Treasury, GNMA, other U.S. Government Guarantees (e.g. AID, GTC), Federal Agency/GSE: FNMA, FHLMC, FHLB, FFCB, other Federal Agency/GSE, Supranationals (where U.S. is a shareholder and voting member), Corporates, Municipals, Agency Mortgage-Backed Securities (MBS), Asset-Backed Securities (ABS), Non-Negotiable Interest Bearing Time Certificates of Deposit, Commercial Paper (CP), Bankers' Acceptances (BAs), Repurchase Agreements (Repo or RP), Money Market Mutual Funds (MMFs), Fixed-Income Mutual Funds & ETFs, Intergovernmental Pools (LGIPs), and the Florida Prime Investment Pool.

The Constitutional Officers, electing not to adopt a written investment policy, are limited to investing funds pursuant to Section 218.415, Florida Statutes, subsection (17) Authorized Investments; no written investment policy. Those investments include the Florida Prime Investment Pool, any authorized intergovernmental investment pool, SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, and direct obligations of the U.S. Treasury.

The County's investment portfolio consists of \$123,606,568 in direct obligations of the United States Treasury Securities, Federal Instrumentalities, Corporate Obligations, Municipal Bonds, and Money Market Funds which are reported at fair value in accordance with GASB Statement No. 31.

The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides guidance for determining fair value of investments for financial reporting purposes and includes the fair value hierarchy, which has three levels based on the valuation inputs used to measure an asset's fair value: 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. Statement No. 72 allows for the use of quoted prices provided by third parties. The County uses quoted prices provided by its third party custodian, SunTrust Bank, Inc. Quoted prices are categorized using a Fair Value Evaluation Matrix providing asset type, pricing method, pricing sources, evaluation frequency, and customary fair value level. Investments' fair value measurements and input levels are as follows at September 30, 2018.

	09/30/2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Corporate Obligations	\$ 71,413,550	\$ -	\$ 71,413,550	\$ -
MUNI Bonds	2,690,820		2,690,820	
FNMA Notes	7,206,048		7,206,048	
FHLB Notes	2,130,415		2,130,415	
FHLMC Notes	2,453,723		2,453,723	
US Treasury Notes	37,372,368		37,372,368	
Total investments by fair value level	\$ 123,266,924	\$ -	\$ 123,266,924	\$ -
Investments measured at amortized cost				
Federated Money Market Fund	339,644			
Total investments measured at amortized cost	339,644			
Total Investments	\$ 123,606,568			

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

As of September 30, 2018, interest receivable on the County's investment portfolio amounted to \$475,032. The County had the following investment types by issuer and effective duration presented in terms of years:

<u>Effective Duration by Security Type</u>	<u>Fair Value</u>	<u>Weighted Average Duration (Years)</u>	<u>Credit Rating</u>	<u>Percentage of Portfolio</u>
Corporate Obligations	\$ 71,413,550	1.56	A/AAA	57.77 %
MUNI Bonds	2,690,820	0.74	AA	2.18 %
FNMA Notes	7,206,048	1.61	AA+	5.83 %
FHLB Notes	2,130,415	1.42	AA+	1.72 %
FHLMC Notes	2,453,723	2.71	AA+	1.99 %
US Treasury Notes	37,372,368	2.03	AA+	30.23 %
Federated Money Market Fund	339,644	0.07	AAAm	0.28 %
Total Fair Value	<u>\$ 123,606,568</u>			<u>100.00 %</u>
Portfolio Weighted Average Duration		1.71		

C. Interest Rate Risk

The Board's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants. The purchase of investments for core funds with maturities longer than five and a half (5.50) years requires the Clerk's approval prior to purchase. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement.

The Board utilizes "effective duration" as a measurement of interest rate risk and as of September 30, 2018, the investment portfolio had an effective duration of 1.71 years.

Included in the investment portfolio, the Board has \$6,042,414 in Callable Securities that have an embedded option consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. The effective duration of callables is 1.36 years with the latest maturity date of October 1, 2021. The Board has \$3,331,970 invested in Federal Agency mortgage-backed pass-through securities with an effective duration of 2.08 years and latest maturity date of September 15, 2032. Additionally, the Board has \$20,674,806 invested in Asset-backed securities with an effective duration of 1.4 years.

D. Credit Risk

The Board's investment policy permits for investing in the following investments, which are limited to credit quality ratings from a Nationally Recognized Statistical Rating Organization (NRSRO) as described below.

- Money Market Mutual Funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. In addition, the share value of the money market funds must equal to \$1.00. The money market funds shall be rated the two highest rating categories by all NRSROs who rate the fund (AAm/Aa-mf, or equivalent).
- Corporate notes, bonds, or other debt obligations shall be rated, at minimum or better, the highest short term or three highest long term rating categories (A-1/P-1, A-/A3 or equivalent) by a NRSRO.
- Bankers' Acceptances (BAs) which are issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank shall be rated the highest short term rating category (A-1/P-1, or equivalent) by a NRSRO.
- Municipal obligations shall be rated, at a minimum or better, the highest short term or three highest long term rating categories (SP-1/MIG 1, A-/A3, or equivalent) by a NRSRO.
- Supranationals shall be rated, at a minimum or better, the highest short term or two highest long term rating categories (A-1/P-1, AA-/Aa3, or equivalent) by a NRSRO.

- Commercial paper of any United States company or a domestic or foreign corporation, company, financial institution, trust or other entity, including unsecured debt and asset-backed programs shall be rated the highest short term rating category (A-1/P-1, or equivalent) by a NRSRO.

As of September 30, 2018, the majority of the Board's investment securities in the amount of \$123,606,568 were all individually rated A-/AAA by Standard & Poor's Rating Services or A3/Aaa by Moody's Rating Services.

The County's \$154,390,912 investment deposit in the Florida Prime Investment Pool was rated by Standard & Poor's. The current rating as of September 30, 2018 was AAAM.

The County's cash deposit balance, including the deposit with fiscal agent, of \$44,708,654 was deposited in a qualified public depository, as required by Chapter 280, Florida Statutes.

E. Custodial Credit Risk

The Board's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the Board should be properly designated as an asset of the County. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposit will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2018, the Board's investment portfolio was held with a third-party custodian as required by the Board's investment policy.

F. Concentration of Credit Risk

The Board's investment policy establishes asset allocation and issuer limits designed to reduce the concentration of credit risk by security type and individual issuer. As of September 30, 2018, the Board's investments included no investment exceeding the established concentration limits. All investments held were within the limits established by the Board's investment policy for security type and individual issuer.

NOTE 3 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2018 is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Major Funds:		
General Fund	\$ 25,165	\$ 1,577,059
Major Special Revenue Funds:		
MSTU For Law Enforcement	1,126,769	-
Fire, Rescue & EMS	6,693	-
Major Enterprise Funds:		
Solid Waste System	-	4,000
Marion County Utility	-	287
Nonmajor Funds:		
Special Revenue Funds	416,349	3,040
Debt Service Funds	9,410	-
Capital Project Funds	-	-
	<u>\$ 1,584,386</u>	<u>\$ 1,584,386</u>

Interfund receivables and payables resulted primarily from revenues accrued in certain funds that are transferred to other funds and excess fees of County Constitutional Officers due to other funds of the County. The total interfund balances contain \$2.5 million of General Fund eliminations between the Constitutional Officers (Clerk, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector).

Interfund transfers consist of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 51,471,176	\$ 3,319,520
Major Special Revenue Funds:		
MSTU For Law Enforcement	2,302,588	42,257,919
Fire, Rescue & EMS	575,737	1,047,054
Major Enterprise Funds:		
Solid Waste System	352,513	6,222
Marion County Utility	-	15,425
Non-major Funds:		
Special Revenue Funds	1,088,419	9,016,111
Debt Service Funds	91,215	110,094
Capital Project Funds	-	105,792
Internal Service Funds	-	3,511
	<u>\$ 55,881,648</u>	<u>\$ 55,881,648</u>

The MSTU for Law Enforcement Special Revenue Fund transferred \$42.3 million to the General Fund for the Sheriff. The Fine & Forfeiture Special Revenue Fund transferred \$8.6 million to the General Fund for the Sheriff to cover law enforcement costs. The total transfers contain \$49.5 million of General Fund eliminations between the Constitutional Officers (Clerk, Property Appraiser, Sheriff, Supervisor of Elections and Tax Collector).

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 4 – CAPITAL ASSETS

A. Changes in Capital Assets

The following shows the changes in capital assets of governmental activities:

Governmental Activities	Primary Government			Ending Balance 9/30/2018
	Beginning Balance 9/30/2017	Increases	Decreases	
Capital Assets, Not Being Depreciated:				
Land	\$ 425,116,446	\$ 2,137,688	\$ (1,733,463)	\$ 425,520,671
Land Use Rights	-	-	-	-
Historical Treasures	266,238	-	-	266,238
Construction In Progress	6,550,985	3,664,045	(6,254,425)	3,960,605
Construction In Progress - Infrastructure	18,403,676	6,286,986	(11,795,222)	12,895,440
Total Capital Assets, Not Being Depreciated	450,337,345	12,088,719	(19,783,110)	442,642,954
Capital Assets, Being Depreciated and Amortized:				
Buildings	231,228,559	7,606,628	(1,428,934)	237,406,253
Improvements Other Than Buildings	54,241,880	2,072,264	(171,990)	56,142,154
Equipment	125,293,016	23,296,527	(18,145,748)	130,443,795
Computer Software	4,050,890	-	-	4,050,890
Infrastructure	1,276,133,606	24,234,357	(104,492)	1,300,263,471
Total Capital Assets Being Depreciated	1,690,947,951	57,209,776	(19,851,164)	1,728,306,563
Less Accumulated Depreciation For:				
Buildings	(101,370,126)	(7,055,257)	607,527	(107,817,856)
Improvements Other Than Buildings	(35,554,171)	(1,951,391)	111,998	(37,393,564)
Equipment	(93,270,079)	(11,824,117)	17,194,970	(87,899,226)
Computer Software	(2,748,125)	(556,930)	-	(3,305,055)
Infrastructure	(514,609,677)	(26,803,859)	-	(541,413,536)
Total Accumulated Depreciation	(747,552,178)	(48,191,554)	17,914,495	(777,829,237)
Total Capital Assets, Being Depreciated, Net	943,395,773	9,018,222	(1,936,669)	950,477,326
Governmental Activities Capital Assets, Net	\$ 1,393,733,118	\$ 21,106,941	\$ (21,719,779)	\$ 1,393,120,280

The following is a summary of governmental activities depreciation and amortization expense by function. As used in this section, the term depreciation (and related forms of the term) includes amortization of intangible assets:

Depreciation Governmental Activities:	
General Government	\$ 7,134,308
Public Safety	10,236,800
Physical Environment	500,961
Transportation	27,705,323
Economic Environment	19,922
Human Services	351,482
Culture/Recreation	2,017,623
Court Related	217,930
Capital Assets held by the government's Internal Service Fund and charged to individual functions based on usage	7,205
Total Depreciation Expense - Governmental Activities	48,191,554

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

The following shows changes in capital assets of business-type activities:

Business-type Activities	Beginning Balance 9/30/2017	Increases	Decreases	Ending Balance 9/30/2018
Capital Assets, Not Being Depreciated:				
Land	\$ 8,703,446	\$ 71,022	\$ -	\$ 8,774,468
Construction In Progress	4,540,573	4,686,616	(196,820)	9,030,369
Total Capital Assets, Not Being Depreciated	13,244,019	4,757,638	(196,820)	17,804,837
Capital Assets, Being Depreciated:				
Buildings	8,730,155	-	-	8,730,155
Improvements Other Than Buildings	240,900,984	4,692,155	-	245,593,139
Equipment	14,403,508	920,456	(677,456)	14,646,508
Total Capital Assets Being Depreciated	264,034,647	5,612,611	(677,456)	268,969,802
Less Accumulated Depreciation For:				
Buildings	(3,518,212)	(296,514)	-	(3,814,726)
Improvements Other Than Buildings	(127,665,738)	(11,143,621)	-	(138,809,359)
Equipment	(10,971,713)	(1,376,983)	675,654	(11,673,042)
Total Accumulated Depreciation	(142,155,663)	(12,817,118)	675,654	(154,297,127)
Total Capital Assets, Being Depreciated, Net	121,878,984	(7,204,507)	(1,802)	114,672,675
Total Business-Type Activities				
Capital Assets, Net	\$ 135,123,003	\$ (2,446,869)	\$ (198,622)	\$ 132,477,512

The following is a summary of business-type activities depreciation expense by function:

Depreciation Business-type activities:	
Solid Waste System	\$ 1,940,294
Marion County Utility	10,876,824
Total Depreciation Expense - Business-type Activities	\$ 12,817,118

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

The following shows the changes in capital assets of business-type activities for both enterprise funds:

	Beginning Balance 09/30/17	Increases	Decreases	Ending Balance 09/30/18
Business-type Activities				
<u>Solid Waste System</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,043,707	\$ -	\$ -	\$ 1,043,707
Construction In Progress	2,290,450	412,406	(188,397)	2,514,459
Total Capital Assets, Not Being Depreciated	<u>3,334,157</u>	<u>412,406</u>	<u>(188,397)</u>	<u>3,558,166</u>
Capital Assets, Being Depreciated:				
Buildings	3,891,905	-	-	3,891,905
Improvements Other Than Buildings	37,018,756	199,119	-	37,217,875
Equipment	7,951,683	481,194	(81,933)	8,350,944
Total Capital Assets Being Depreciated	<u>48,862,344</u>	<u>680,313</u>	<u>(81,933)</u>	<u>49,460,724</u>
Less Accumulated Depreciation For:				
Buildings	(1,733,576)	(136,195)	-	(1,869,771)
Improvements Other Than Buildings	(29,928,067)	(901,879)	-	(30,829,946)
Equipment	(5,719,889)	(902,220)	80,607	(6,541,502)
Total Accumulated Depreciation	<u>(37,381,532)</u>	<u>(1,940,294)</u>	<u>80,607</u>	<u>(39,241,219)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,480,812</u>	<u>(1,259,981)</u>	<u>(1,326)</u>	<u>10,219,505</u>
Solid Waste System Capital Assets, Net	<u>\$ 14,814,969</u>	<u>\$ (847,575)</u>	<u>\$ (189,723)</u>	<u>\$ 13,777,671</u>
<u>Marion County Utility</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 7,659,739	\$ 71,022	\$ -	\$ 7,730,761
Construction In Progress	2,250,123	4,274,210	(8,423)	6,515,910
Total Capital Assets, Not Being Depreciated	<u>9,909,862</u>	<u>4,345,232</u>	<u>(8,423)</u>	<u>14,246,671</u>
Capital Assets, Being Depreciated:				
Buildings	4,838,250	-	-	4,838,250
Improvements Other Than Buildings	203,882,228	4,493,036	-	208,375,264
Equipment	6,451,825	439,262	(595,523)	6,295,564
Total Capital Assets Being Depreciated	<u>215,172,303</u>	<u>4,932,298</u>	<u>(595,523)</u>	<u>219,509,078</u>
Less Accumulated Depreciation For:				
Buildings	(1,784,636)	(160,319)	-	(1,944,955)
Improvements Other Than Buildings	(97,737,671)	(10,241,742)	-	(107,979,413)
Equipment	(5,251,824)	(474,763)	595,047	(5,131,540)
Total Accumulated Depreciation	<u>(104,774,131)</u>	<u>(10,876,824)</u>	<u>595,047</u>	<u>(115,055,908)</u>
Total Capital Assets, Being Depreciated, Net	<u>110,398,172</u>	<u>(5,944,526)</u>	<u>(476)</u>	<u>104,453,170</u>
Marion County Utility Capital Assets, Net	<u>\$ 120,308,034</u>	<u>\$ (1,599,294)</u>	<u>\$ (8,899)</u>	<u>\$ 118,699,841</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 135,123,003</u>	<u>\$ (2,446,869)</u>	<u>\$ (198,622)</u>	<u>\$ 132,477,512</u>

B. Summary of Capital Assets

The following summarizes Capital Assets found on the Statement of Net Position for governmental activities and business-type activities:

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Capital Assets, Not Being Depreciated:			
Land	\$ 425,520,671	\$ 8,774,468	\$ 434,295,139
Historical Treasures	266,238	-	266,238
Construction in Progress	3,960,605	9,030,369	12,990,974
Construction in Progress - Infrastructure	12,895,440	-	12,895,440
Total Capital Assets, Not Being Depreciated	442,642,954	17,804,837	460,447,791
Capital Assets, Being Depreciated and Amortized, Net:			
Buildings	237,406,253	8,730,155	246,136,408
Improvements Other than Buildings	56,142,154	245,593,139	301,735,293
Equipment	130,443,795	14,646,508	145,090,303
Software	4,050,890	-	4,050,890
Infrastructure	1,300,263,471	-	1,300,263,471
Capital Assets, Being Depreciated	1,728,306,563	268,969,802	1,997,276,365
Less: Accumulated Depreciation	(777,829,237)	(154,297,127)	(932,126,364)
Total Capital Assets, Being Depreciated, Net	950,477,326	114,672,675	1,065,150,001
Total Capital Assets, Net	\$ 1,393,120,280	\$ 132,477,512	\$ 1,525,597,792

C. Construction Commitments

The following is a summary of construction commitments outstanding at September 30, 2018:

Projects	Spent-to-Date	Remaining Commitment
Road & Bridge projects	\$ 1,532,190	\$ 2,114,817
Cooling tower HVAC replace JC	733,578	410,503
Project Hope renovations	27,500	112,500
Replace jail kitchen floor	60,812	45,746
Unit renovation multi-fam apt	200,802	127,469
Dept of Health air handler	157,849	598,797
Jail water line replace	102,117	90,550
Three bay fire station	30,000	2,367,015
Salt Springs picnic pavillion	72,105	8,860
Stormwater Projects	2,319,605	385,754
Water & Sewer Projects	3,893,388	1,916,137
Total	\$ 9,129,946	\$ 8,178,148

D. Capital Assets under Lease Purchase Commitments

Leased equipment under capital lease in capital assets at September 30, 2018, included equipment of \$10,470,183 less accumulated depreciation of \$4,216,126. Amortization of leased equipment is included with depreciation expense.

NOTE 5 – LONG-TERM LIABILITIES

A. Schedule of Changes in Long-term Liabilities

The County's outstanding long-term liabilities include bonds payable, notes payable, claims payable, compensated absences, other post employment benefits, claims and judgments, accrued landfill closure costs and remediation costs. The following is a schedule of changes in the County's long-term liabilities for the fiscal year ended September 30, 2018:

	Balance 10/01/2017 *	Additions	Reductions	Balance 09/30/2018	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 740,000	\$ -	\$ (740,000)	\$ -	\$ -
Revenue Bonds	43,400,000	-	(2,785,000)	40,615,000	2,875,000
Special Assessment debt with governmental commitment	8,841,093	-	(2,238,416)	6,602,677	1,349,268
Less Other Debt Amounts:					
Bond Issuance Discounts	(82,200)	-	41,100	(41,100)	-
Total Bonds Payable	<u>52,898,893</u>	<u>-</u>	<u>(5,722,316)</u>	<u>47,176,577</u>	<u>4,224,268</u>
Notes Payable	8,416,611	641,539	(1,420,922)	7,637,228	609,650
Claims Payable	6,394,549	7,908,215	(6,590,519)	7,712,245	1,542,449
Compensated Absences	16,149,251	14,475,312	(11,824,318)	18,800,245	3,760,049
Other Post Empl Benefits	23,333,918	-	(408,347)	22,925,571	1,018,335
Net Pension Liability	<u>200,615,912</u>	<u>123,906,687</u>	<u>(122,765,691)</u>	<u>201,756,908</u>	<u>905,870</u>
Governmental Activity Long-term Liabilities	<u>\$ 307,809,134</u>	<u>\$ 146,931,753</u>	<u>\$ (148,732,113)</u>	<u>\$ 306,008,774</u>	<u>\$ 12,060,621</u>
Business-type Activities:					
Bonds Payable:					
Revenue Bonds	\$ 58,225,000	\$ -	\$ (3,325,000)	\$ 54,900,000	\$ 3,400,000
Less Other Debt Amounts:					
Bond Issuance Premiums	1,522,213	-	(108,729)	1,413,484	-
Total Bonds Payable	<u>59,747,213</u>	<u>-</u>	<u>(3,433,729)</u>	<u>56,313,484</u>	<u>3,400,000</u>
Notes Payable	23,524,761	-	(1,582,500)	21,942,261	1,622,055
Compensated Absences	559,033	406,682	(382,408)	583,307	116,662
Other Post Empl Benefits	820,544	-	(14,360)	806,184	36,134
Net Pension Liability	5,508,492	3,253,417	(3,192,311)	5,569,598	45,329
Landfill Closure Costs	21,266,945	4,221,629	-	25,488,574	357,897
Pollution Remediation Costs	<u>3,887,581</u>	<u>-</u>	<u>(914,971)</u>	<u>2,972,610</u>	<u>1,019,360</u>
Business-type Activity Long-term Liabilities	<u>\$ 115,314,569</u>	<u>\$ 7,881,728</u>	<u>\$ (9,520,279)</u>	<u>\$ 113,676,018</u>	<u>\$ 6,597,437</u>

* Beginning balances were restated for the effects of GASB 75 implementation.

Compensated absences, net pension liability, and other postemployment benefits liability will be liquidated in future periods primarily by the general revenue of the General Fund and ad valorem taxes of the Fire Rescue and EMS Fund and the MSTU for Law Enforcement Special Revenue Funds.

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

B. Bonds Payable

The County has general obligation, special assessment, and revenue bonds outstanding at year end. Special assessment bonds are secured by liens on real property, governmental revenue bonds are secured by the half-cent sales tax revenues and enterprise revenue bonds are secured by the revenues generated by the issuing fund. The limited ad valorem tax bonds are limited to a levy not to exceed one-half of one mill in any given year. The following is a schedule of bonds outstanding at September 30, 2018:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Maturity</u>
Governmental Activities:					
General Obligation Bonds:					
Limited Ad Valorem Tax Bonds, Series 1998	Land acquisition for parks and conservation	\$ 9,935,000	\$ -	3.30%-4.70%	2018
Total General Obligation Bonds			-		
Revenue Bonds:					
Public Improvement Revenue Bonds, Series 2009A	Roads	23,190,000	2,125,000	4.0%-4.13%	2020
Public Improvement Revenue Bonds, Series 2010	Roads	32,515,000	4,655,000	3.0%-4.0%	2021
Public Improvement Revenue Refunding Bonds, Series 2016	Roads	34,420,000	33,835,000	2.45%	2030
Total Revenue Bonds			40,615,000		
Special Assessment Bonds:					
Series 2008B	Road and other	2,749,793	262,408	4.630%	2019
Series 2009A	infrastructure	1,298,330	11,325	5.260%	2019
Series 2010A	improvement projects	524,482	23,191	3.700%	2020
Series 2011A		2,532,443	653,265	2.820%	2021
Series 2012A		1,913,421	692,382	2.440%	2022
Series 2013A		1,866,400	799,818	2.390%	2023
Series 2014A		3,105,919	1,736,938	2.960%	2024
Series 2015A		302,676	212,889	2.790%	2025
Series 2016A		1,132,671	866,423	2.050%	2026
Series 2017A		1,589,554	1,344,038	2.410%	2027
Total Special Assessment Bonds			6,602,677		
Total Bonds Payable - Governmental Activities			<u>\$ 47,217,677</u>		
Business-type Activities:					
Revenue Bonds:					
Utilities System Revenue Refunding Bonds, Series 2012	Refunding	39,940,000	35,225,000	3.00%-5.00%	2034
Utilities System Revenue Refunding Bonds, Series 2016	Refunding	22,325,000	19,675,000	1.870%	2030
Total Bonds Payable - Business-type Activities			<u>\$ 54,900,000</u>		

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

C. Notes Payable

The County has various notes and contracts outstanding at year end. The following is a summary of notes outstanding at September 30, 2018:

	<u>Purpose</u>	<u>Interest Rates</u>	<u>Remaining Balance</u>
Business-type Activities:			
Marion County Utility Fund			
SRF Contract Payable - Oak Run	System Improvements	1.11%	\$ 8,600,826
SRF Contract Payable - Stonecrest	System Improvements	1.11%	6,793,132
SRF Contract Payable - JB Ranch	System Improvements	1.11%	2,378,880
Windstream Utilities	System Acquisition	4.50%	4,065,844
SRF Contract Payable - SSRU	System Acquisition	2.67%	103,579
			<u>\$ 21,942,261</u>
Governmental Activities:			
General Fund			
Motorola	Radio System Upgrade	1.68%	\$ 432,484
Motorola 800 Mhz	Radio System	2.46%	6,661,096
Dell	EqualLogic	2.85%	15,415
Dell	SonicWall	2.47%	24,659
Dell	Storage Servers	2.46%	503,574
			<u>\$ 7,637,228</u>

D. Debt Service Requirements

The following schedules show debt service requirements to maturity for the County's general obligation bonds, special assessment bonds, revenue bonds, and notes payable:

Fiscal Year	General		Revenue and Special		Notes Payable		Total
	Obligation Bonds		Assessment Bonds				
	Principal	Interest	Principal	Interest	Principal	Interest	
2019	-	-	4,224,268	1,211,653	609,650	191,704	6,237,275
2020	-	-	4,083,714	1,065,815	6,766,487	176,205	12,092,221
2021	-	-	4,205,394	931,963	128,133	9,833	5,275,323
2022	-	-	4,104,487	813,473	132,958	5,007	5,055,925
2023	-	-	4,029,230	710,876	-	-	4,740,106
2024-2028	-	-	18,925,584	2,098,068	-	-	21,023,652
2029-2033	-	-	7,645,000	188,588	-	-	7,833,588
Total	\$ -	\$ -	\$ 47,217,677	\$ 7,020,436	7,637,228	382,749	\$ 62,258,090

Business-type Activities
Fiscal Year

Fiscal Year	Revenue Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2019	3,400,000	1,805,817	1,622,055	585,116	\$ 7,412,988
2020	3,485,000	1,714,178	1,662,660	544,512	7,406,350
2021	3,585,000	1,612,892	1,704,344	502,828	7,405,064
2022	3,695,000	1,501,082	1,747,138	460,033	7,403,253
2023	3,790,000	1,385,164	1,791,075	416,096	7,382,335
2024-2028	17,390,000	5,345,387	9,399,770	1,385,943	33,521,100
2029-2033	17,230,000	2,030,660	2,692,534	462,727	22,415,921
2034-2038	2,325,000	46,500	1,164,816	174,184	3,710,500
2039-2043	-	-	157,869	3,186	161,055
Total	\$ 54,900,000	\$ 15,441,680	\$ 21,942,261	\$ 4,534,625	\$ 96,818,566

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2019	\$ 801,354
2020	6,942,692
2021	137,966
2022	137,965
2023	-
2024-2028	-
Total minimum lease payment	<u>8,019,977</u>
less: amount representing interest	<u>(382,749)</u>
Present value of minimum lease payments	<u>\$ 7,637,228</u>

E. Pledged Revenues

Marion County has pledged certain revenues, to repay certain bonds and notes outstanding as of September 30, 2018. The following table reports the revenues, sometimes net of related operating expenses, pledged for each debt issue, the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2018:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Revenue Pledged</u>	<u>Current Year Total Revenue</u>	<u>Pledged Outstanding Principal & Interest</u>	<u>Estimated Revenue Percentage Pledged</u>	<u>Principal & Interest Paid</u>	<u>Maturity</u>
Revenue Bonds:						
Public Improvement Revenue Bonds - 2009A	Sales tax	\$ 22,652,641	\$ 2,212,935	4.9%	\$ 1,106,356	2020
Public Improvement Revenue Bonds - 2010	Sales tax	22,652,641	4,925,094	7.2%	1,649,656	2021
Public Improvement Revenue Bonds - 2016	Sales tax	22,652,641	39,887,542	14.7%	1,163,000	2030
Total Revenue Notes and Bonds - Governmental Activities			<u>\$ 47,025,571</u>		<u>\$ 3,919,012</u>	
 BUSINESS-TYPE ACTIVITIES						
Revenue Bonds:						
Utility System Revenue Bonds - 2012	System Revenue	14,790,980	48,934,825	20.7 %	2,717,250	2034
Utility System Revenue Bonds - 2016	System Revenue	14,790,980	21,406,855	12.1 %	2,517,784	2030
Revenue Notes:						
2003 State Revolving Fund Loan - SSRU	System Revenue	14,790,980	111,335	0.2 %	22,267	2023
2008 State Revolving Fund Loan - JB Ranch	System Revenue	14,790,980	2,637,600	1.8 %	277,642	2028
2008 State Revolving Fund Loan - Oak Run	System Revenue	14,790,980	9,797,491	6.9 %	890,681	2029
2008 State Revolving Fund Loan - Stonecrest	System Revenue	14,790,980	7,750,396	4.8 %	704,582	2029
2014 Windstream Utilities Loan	System Revenue	14,790,980	6,180,055	2.0 %	312,000	2039
Total Revenue Notes and Bonds - Business Activities			<u>\$ 96,818,557</u>		<u>\$ 7,442,206</u>	

F. Defeased Debt

The County advance refunds and defeases debt primarily as a means of reducing debt service requirements. At such time, the liability for that debt is removed from the applicable statement of net position. As of September 30, 2018, the County had \$13,925,000 outstanding for the Series 2009A Bonds and \$17,855,000 outstanding for the Series 2010 Bonds.

G. Compensated Absences

Compensated absences are accrued in proprietary funds at year end. The County does not accrue compensated absences in governmental funds. However, compensated absences paid in governmental funds are charged to the fund and function in which the employee was related and are reported as a liability on the government-wide statement for governmental activities. The following is a summary schedule of compensated absences as of September 30, 2018:

	Balance 09/30/2017	Additions	(Reductions)	Balance 09/30/2018
Governmental Activities:				
Board of County Commissioners	\$ 5,116,491	\$ 4,277,814	\$ (4,189,174)	\$ 5,205,131
Clerk of the Circuit Court	666,522	506,829	(415,386)	757,965
Sheriff	9,662,179	8,901,323	(6,446,370)	12,117,132
Tax Collector	355,241	406,075	(407,268)	354,048
Property Appraiser	268,004	272,636	(265,897)	274,743
Supervisor of Elections	63,371	91,653	(84,271)	70,753
Internal Service Fund	17,443	18,982	(15,952)	20,473
	<u>\$ 16,149,251</u>	<u>\$ 14,475,312</u>	<u>\$ (11,824,318)</u>	<u>\$ 18,800,245</u>
Business-type Activities:				
Solid Waste Fund	\$ 240,953	\$ 150,437	\$ (150,916)	\$ 240,474
Marion County Utility Fund	318,080	256,245	(231,492)	342,833
	<u>\$ 559,033</u>	<u>\$ 406,682</u>	<u>\$ (382,408)</u>	<u>\$ 583,307</u>

H. Landfill Closure Costs

State and federal laws and regulations require the County to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The cost of landfill closure and postclosure care is allocated based on landfill capacity used to date. As of September 30, 2018, the landfill was at 100% of original design capacity. The County expects the landfill to close in 2020 or sooner. The accrued cost for closure care as of September 30, 2018, was \$25,488,574. The remaining closure and postclosure costs to be recognized, based upon the current engineering estimates are \$0. All amounts recognized are based on an estimate by the County's engineers of the cost to perform all closure and postclosure care as of September 30, 2018. Actual costs may be different due to inflation, deflation, changes in technology, or changes in laws and regulations. The County is required by state and federal laws and regulations to establish escrow accounts for closure and postclosure costs of the landfill. The County has complied with these requirements by depositing required amounts into a landfill management escrow account. Any balance in this account is reported as a restricted asset on the statement of net position of the Solid Waste enterprise fund.

I. Bond Covenant Requirements

Revenue bond covenants, revenue bond debt service and transfer requirement provisions require either (1) monthly sinking fund contributions for current debt service of one-twelfth and one-sixth of the next maturing principal and interest payment, respectively, or (2) an annual approach where all receipts are deposited into a sinking fund until the funds therein are sufficient to meet the maturing principal and interest payments. In addition, certain reserves for future debt service requirements (generally the largest principal and interest payment due in any succeeding year) must be maintained.

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

The sum of the net revenue, available impact fees and utility services fees to be received in such bond year shall be at least equal to one hundred ten percent (110%) of the bond debt service requirements.

Bond covenants require debt service reserves to be either fully funded or insured. If insured, the surety provider must maintain sufficient ratings. The County has reserved \$4,035,600 for the Utility Bonds and \$2,803,257 for Transportation bonds to fulfill the covenant requirements. The County is not aware of any areas of non-compliance with respect to its bond covenants.

NOTE 6 – RISK MANAGEMENT PROGRAM

The County maintains a risk management program whereby the County is responsible for specific workers' compensation claims, general property and casualty, and automobile liabilities. The activities of the risk management program are accounted for in an internal service fund. The program covers individual workers' compensation claims up to \$1,000,000. The County allocates costs to funds and functions based on standard workers' compensation premium schedules. The program covers individual property damage claims up to \$100,000 and \$100,000 for general liability and automobile liability claims. Excess coverage for property claims is the scheduled value of approximately \$500 million. The excess coverage for workers' compensation, general liability and automobile liability have been discontinued during the fiscal year. In addition, there have been no settlements which exceeded the County's insurance coverage for each of the past three fiscal years.

All departments of the County participate in the program. Payments are made by various funds to the self-insurance fund based on past experience of the amounts needed to pay current year claims. For the year ended September 30, 2018, the County obtained actuarially determined estimates of the total claims loss reserves for workers' compensation, general liability and automobile liability self insurance risks. The claims liability of \$7,712,245 reported in the governmental activities statement of net position as of September 30, 2018 is based on the requirements of GAAP which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued when insured events occur. The liability reported includes non-incremental claims adjustment expenses as part of the liability for claims and judgments.

The risk management program is also used to account for the amounts collected and disbursed to a third party insurer for the County employees' major medical, disability income, and life insurance. Changes in the risk management program's claims liability, for the past two fiscal years, are as follows:

<u>Fiscal Year</u>	<u>Beginning</u> <u>Beginning</u>	<u>Current Year</u> <u>Claims /</u> <u>Changes in</u> <u>Estimates</u>	<u>Current Year</u> <u>Claims</u> <u>Payments</u>	<u>Ending Balance</u>
2016-2017	\$ 6,265,465	\$ 5,202,184	\$ (5,073,100)	\$ 6,394,549
2017-2018	6,394,549	7,908,215	(6,590,519)	7,712,245

The County's Internal Service Fund provides the participants' comprehensive safety programs, management of insurance, casualty/liability review and reduction, self insurance or pooled insurance programs, and claims management.

NOTE 7 – RETIREMENT SYSTEM

A. The Florida Retirement System

1. Plan Description, Membership and Plan Benefits, and Contribution Requirements

Plan Description

The Florida Retirement System (FRS) is a cost-sharing, multiple-employer, contributory retirement system, administered by the State of Florida (State). The FRS was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan, and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the FRS Investment Plan (INV). Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any state-administered retirement system in paying the costs of health insurance.

The FRS and HIS are administered by the Florida Department of Management Services, Division of Retirement. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code. The Florida Legislature has the authority to establish and amend retirement legislation and related bills of significance to members of the FRS and HIS plans (including benefit terms and contribution rates). Passed bills are presented to the Governor of Florida and approved before they may be enacted into law.

The FRS and HIS financial information is included in the Florida Retirement System (System) Pension Plan and Other State-Administered Systems' Comprehensive Annual Financial Report (CAFR). Reporting of the FRS and HIS are on the accrual basis of accounting. Employer contributions are recognized when due in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The fiduciary net positions of the FRS and HIS were determined on the same basis used by the pension plans. The State Board of Administration invests the assets of the pension plans held in the FRS Trust. Investments are reported at fair value which are obtained from independent pricing service providers using quoted market prices. The System CAFR, including audited financial information to support the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer, are available online at:
http://www.dms.myflorida.com/workforce_operations/retirement/publications.

The System CAFR and actuarial reports may also be obtained by contacting the Division of Retirement by mail or phone at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Contributions
P.O. Box 9000
Tallahassee, FL 32315-9000
850-907-6500 or toll free 844-377-1888

Membership and Plan Benefits - FRS

The FRS has several classes of membership applicable to the County, including regular class, special risk, elected officers, senior management, and DROP. The FRS Pension Plan provides for the vesting of benefits after six years of creditable service or after eight years of creditable service for members first enrolled after July 1, 2011. Members are eligible for normal retirement when they have met the minimum requirements listed below. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age. Members are also eligible for in-line-of-duty or regular disability benefits if permanently disabled and unable to work. Benefits are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class.

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

A DROP was established effective July 1, 1998, subject to provisions of Section 121.091, Florida Statutes. It permits employees eligible for normal retirement under the FRS to defer receipt of monthly benefit payment while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

Normal Retirement Requirements

Regular Class, Senior Management Service Class, and Elected Officers' Class	Six years of service and age 62, or the age after 62 the member becomes vested, or thirty years of service, regardless of age, whichever comes first. Eight years of service for members first enrolled after July 1, 2011 and age 65 the member becomes vested, or the age after 65 the member becomes vested, or thirty three years of service regardless of the age before 65.
Special Risk Class	Six years of special risk service and age 55, or twenty-five total years special risk service, regardless of age. Eight years of service for members first enrolled after July 1, 2011 and age 60 the member becomes vested, or thirty years of service regardless of age before 60 or age 57 and completes 30 years of service and up to 4 years of wartime military service purchased under section 121.111 Florida Statutes.
Special Risk Administrative Support Class	Special risk requirements apply to service in this class if member has six years (eight years for members first enrolled after July 1, 2011) actual special risk service; otherwise regular member requirements apply.

Membership and Plan Benefits - HIS

HIS membership is available to all members within the FRS and INV plans. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. 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. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Contribution Requirements

The contribution rates for FRS and HIS members are established, and may be amended, by the State of Florida. Employer contributions rates are actuarially recommended but set by the Legislature. These rates are a percentage of covered payroll. The FRS and HIS contribution rates were as follows:

	<u>10/1/17-6/30/18</u>	<u>7/1/18-9/30/18</u>
Regular Class – Members not qualifying for other classes.	7.92%	8.26%
Special Risk Class – Members employed as law enforcement officers, firefighters, or correctional officers meet the criteria to qualify for this class.	23.27%	24.50%
Senior Management	22.71%	24.06%
Special Risk Administrative Support	34.63%	34.98%
Elected County Officers	45.50%	48.70%
Deferred Retirement Option Program (DROP)	13.26%	14.03%

Employer rates include 1.66% from 10/1/17-9/30/18 for the HIS program. In addition, other than for the DROP, rates include .06% from 10/1/17-9/30/18 for administrative costs.

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

The County's contributions recognized during the fiscal year ended September 30, 2018 by the FRS and HIS were \$16,268,875 and \$1,998,541 respectively.

As of July 1, 2011, members contribute 3% of their salary as retirement contributions. Members participating in DROP are not required to make 3% contributions.

2. FRS and HIS Rate of Return, Discount Rate Sensitivity and Significant Actuarial Assumptions

Long-Term Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2018 the FRS Actuarial Assumption Conference reviewed assumptions by Milliman's Capital Markets Assumption team and Aon Hewitt Investment Consulting. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return
Cash	1.0%	2.9%
Fixed Income	18.0%	4.4%
Global Equity	54.0%	7.6%
Real Estate (Property)	11.0%	6.6%
Private Equity	10.0%	10.7%
Strategic Investments	6.0%	6.0%
	100.0%	

The HIS is essentially funded on a pay-as-you go basis and the depletion date is considered to be immediate. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the plan, or assumed asset allocation.

Discount Rate Sensitivity Analysis

The following tables demonstrate the sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact if the discount rate was 1.0% higher or 1.0% lower than the current discount rate at June 30, 2018.

FRS Net Pension Liability (Asset)			HIS Net Pension Liability (Asset)		
Current Discount			Current Discount		
1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
6.00%	7.00%	8.00%	2.87%	3.87%	4.87%
\$ 307,729,213	\$ 168,614,872	\$ 53,072,187	\$ 44,090,282	\$ 38,711,634	\$ 34,228,218

Actuarial Methods and Assumptions

Actuarial assumptions for both the FRS and HIS are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually and the HIS has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2014 for the period July 1, 2008 through June 30, 2013. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for the FRS and the HIS were determined by actuarial valuations as of July 1, 2018 using the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Benefits received by retirees and beneficiaries of the FRS Plan are increased by a COLA each year based on their previous year benefit amount. Retirements prior to August 2011 receive a 3% COLA adjustment, and retirees after August 2011 received a formula-structured COLA. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables. Both the discount rate and long-term expected rate of return used for FRS investments is 7.00%, a decrease from 7.10% in the prior year. The 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 uses pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine its total pension liability. In October 2018, the Actuarial Assumptions Conference adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index. As of June 30, 2018, the municipal rate used by HIS increased from 3.58% to 3.87%.

B. Net Pension Liability, Deferred Outflows/Inflows of Resources, and Pension Expense for County Defined Benefit Pension Plans

1. Proportionate Share of FRS and HIS Plans

Employers participating in the FRS and HIS were provided pension allocation schedules for use in recording their proportionate share of the FRS and HIS collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pensions expense at measurement date June 30, 2018 in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of Statement No. 68*. The underlying financial information used to prepare the pension allocation schedules was based on the same basis as mentioned previously, and on the actuarial valuations as of July 1, 2018 for FRS and HIS. The County's proportionate share was calculated using the retirement contributions for employees that were members of the FRS and HIS during the measurement year ended June 30, 2018. The aggregate employer contribution amounts in the pension allocation schedules agree to the total employer contribution amounts reported in the System CAFR.

At September 30, 2018, the County reported a net pension liability of \$207,326,506 for its proportionate share of the collective net pension liability of the FRS and HIS. The following table presents information on the County's proportionate share of the FRS and HIS:

	FRS	HIS	County Total
Proportionate Share of Net Pension Liability at June 30, 2018	\$ 168,614,872	\$ 38,711,634	\$ 207,326,506
County's proportion at June 30, 2018	0.005598	0.003658	
County's proportion at June 30, 2017	0.005664	0.003610	
Change in proportion during current year	(0.000066)	0.000047	

2. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended September 30, 2018, the County recognized pension expense of \$30,373,152. Pension expense of \$27,470,222 was related to the FRS Plan, and pension expense of \$2,902,930 was related to the HIS Plan. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

	FRS		HIS		County Total Deferred Outflows / (Deferred Inflows)
	Def Outflows	Def Inflows	Def Outflows	Def Inflows	
Differences between expected and actual experience	\$ 14,284,214	\$ (518,450)	\$ 592,658	\$ (65,770)	\$ 14,876,872 (584,220)
Changes of assumptions	55,095,143	-	4,305,212	(4,092,918)	59,400,355 (4,092,918)
Net difference between projected and actual investment earnings	-	(13,027,555)	23,367	-	23,367 (13,027,555)
Changes in proportion	4,878,703	(5,181,904)	1,279,562	(725,640)	6,158,265 (5,907,544)
County contributions subsequent to the measurement date	4,053,389		481,100		4,534,489
Total Deferred Outflows	\$ 78,311,449		\$ 6,681,899		\$ 84,993,348
Total Deferred (Inflows)		\$(18,727,909)		\$ (4,884,328)	\$ (23,612,237)

Deferred outflows of resources of \$4,534,489 are reported by the County for employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Reporting Year Ending June 30,	FRS		HIS		County Total Deferred Outflows / (Deferred Inflows)
2019	\$ 20,184,926	\$	555,079	\$	20,740,005
2020	14,803,419		553,109		15,356,528
2021	2,835,551		464,617		3,300,168
2022	10,266,848		214,283		10,481,131
2023	6,536,080		(337,911)		6,198,169
Thereafter	903,326		(132,705)		770,621
Totals	\$ 55,530,150	\$	1,316,472	\$	56,846,622

C. Defined Contribution Retirement Plan

The County contributes to the Florida Retirement System Investment Plan (INV), the integrated defined contribution investment plan described above. The INV is administered by the Florida Department of Management Services, Division of Retirement. Benefit terms, including contribution requirements, for the INV are established and may be amended by the Florida Legislature. For each employee in the INV, the County must contribute at the blended uniform rate structure as previously disclosed for the FRS Plan. Employees are required to contribute 3% of salary. For the year ended September 30, 2018, the County recognized pension expense of \$1,057,519.

The detail of pension expense by each County Officer for the defined contribution investment plan is as follows:

<u>County Officer</u>		<u>Pension Expense</u>
Board of County Commissioners	\$	565,941
Clerk of the Circuit Court and Comptroller		36,171
Property Appraiser		12,106
Sheriff		420,607
Supervisor of Elections		2,377
Tax Collector		20,317
Total	\$	<u>1,057,519</u>

Employer contributions and earnings on those contributions are vested according to the same schedule as disclosed for the FRS Plan. Nonvested County contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the INV's administrative expenses. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY

In 2018, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which supersedes previous accounting and financial reporting guidance for its Other Postemployment Benefits Plan (OPEB Plan). The implementation resulted in a restatement of net position as discussed further in Note 12.

Plan Description, Benefit Terms and Contribution Requirements

The OPEB Plan is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees usually have higher costs, which means that the County is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees. In addition to this implicit rate subsidy, the Marion County Sheriff's Office provides retirees with a direct subsidy of \$5 per month per each credited year of service with the Sheriff's Office. This amount is limited to \$150 per month and in no event will it exceed total cost of health insurance net of the Florida Retirement System's (FRS) health insurance subsidy. This subsidy is only available until the retiree becomes Medicare eligible. The health insurance subsidy is provided under the FRS and is not considered part of GASB No. 75.

Retirees and their dependents are permitted to remain covered under the County's respective medical and insurance plans as long as they pay a full premium applicable to coverage elected, subject to direct subsidies discussed above. This conforms to the minimum required of Florida governmental employers per Ch. 112.08, F.S. Benefits that exceed this minimum are established and may be amended through action from the Board of County Commissioners (the "Board"). The OPEB Plan does not issue a stand-alone report and is not included in the report of any other entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

At September 30, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	425
Active employees	2,195
Total	<u>2,620</u>

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

Contributions (benefit payment reductions) to the OPEB Plan are shared by the retiree and the County. OPEB Plan participants must reimburse the County for the County's average blended cost. Contributions requirements of the County are established and may be amended through action by the Board.

Total OPEB Liability and Changes in Total OPEB Liability

The measurement date for the County's total/net OPEB liability was September 30, 2017, one year prior to the County's fiscal reporting date of September 30, 2018. The measurement period for OPEB cost was October 1, 2016 to September 30, 2017. The components of the County's net OPEB liability reported at September 30, 2018 are as follows:

Total OPEB liability	\$ 23,731,755
OPEB Plan fiduciary net position	<u>-</u>
County's net OPEB liability	\$ 23,731,755
OPEB Plan fiduciary net position as percentage of total OPEB liability	0.0%

The components of the changes in the total OPEB liability are as follows:

	Fiscal Year <u>2018</u>
Total OPEB Liability	
Service Cost	\$ 1,179,727
Interest	765,798
Changes in assumptions and other inputs	(1,106,172)
Benefit payments	<u>(1,262,060)</u>
Net change in total OPEB liability	(422,707)
Total OPEB Liability - beginning	<u>24,154,462</u>
Total OPEB Liability - ending	<u>\$ 23,731,755</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.10% at the beginning of the measurement period to 3.50% as of September 30, 2017.

Actuarial Assumptions and OPEB Liability Sensitivity to Healthcare Trend Rate

The total OPEB liability reported at September 30, 2018 was based on an actuarial valuation dated September 30, 2017 using the following actuarial assumptions:

Inflation	2.50% per annum
Discount rate	3.50%
Salary increases	Rates used in the July 1, 2016 actuarial valuation of the FRS; 3.75 - 7.8%
Mortality rates	Mortality tables used for regular and special risk class members in the July 1, 2016 actuarial valuation of the FRS (based on experience study for period 2008 thru 2013)
Healthcare trend	Based on the Getzen model, with trend starting at 3.6% on 10/1/18 followed by 6.75% on 10/1/19, and gradually decreasing to ultimate trend rate of 4.24% plus .42% increase for excise tax

MARION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

The development of per capita costs included aging factors based on the 2013 Society Of Actuaries Study "Healthcare Costs - From Birth to Death". There have been no significant changes (other than premium rate increases) in any health benefits or life insurance benefits between September 30, 2017 and September 30, 2018.

Sensitivity of OPEB liability to healthcare trend rate

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 20,670,819	\$ 23,731,755	\$ 27,652,037

Discount Rate and OPEB Liability Sensitivity to Discount Rate

The discount rate used to measure the total OPEB liability reported as of September 30, 2018 was 3.50%. Because the County's OPEB costs are essentially funded on a pay-as-you-go funding structure, a municipal bond rate was used to determine the total OPEB liability for the OPEB Plan. Fidelity's 20-Year Municipal G.O. AA Index daily rate closest but not after the measurement date was used for this purpose.

Sensitivity of OPEB liability to discount rate

The following table presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$ 26,626,981	\$ 23,731,755	\$ 21,244,944

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended September 30, 2018, the County recognized OPEB expense of \$1,842,144. At September 30, 2018, the County had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes in assumptions and other inputs	\$ 0	\$ 1,002,791
Benefit payments subsequent to measurement date	1,054,469	0
	<u>\$ 1,054,469</u>	<u>\$ 1,002,791</u>

Deferred outflows of resources of \$1,054,469 are reported by the County for employer benefit payments subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2019. Deferred inflows of resources shown above will be recognized in OPEB expense in the following years:

Fiscal Year Ending	<u>Inflows</u>
Sept 30, 2019	\$ (103,381)
Sept 30, 2020	(103,381)
Sept 30, 2021	(103,381)
Sept 30, 2022	(103,381)
Sept 30, 2023	(103,381)
Thereafter	(485,886)
	<u>\$ (1,002,791)</u>

NOTE 9 – DEFERRED OUTFLOWS OF RESOURCES ON REFUNDING

The balance of deferred outflows on refunding in the County Utility Fund at September 30, 2018 was \$2,645,110. In the current year, \$203,470 was charged to interest expense. The balance of deferred outflows on refunding in governmental activities at September 30, 2018 was \$3,494,906. In the current year, \$291,242 was charged to interest expense.

NOTE 10 – RESTRICTED NET POSITION FOR OTHER PURPOSES

Restricted Net Position for Other Purposes of the County's governmental activities at September 30, 2018, are as follows:

Community Redevelopment	\$	95,064
Courts		74,632
Public Safety		6,558,602
Records Modernization		1,667,109
Social Services		2,993,312
Tourism		3,892,892
	\$	<u>15,281,611</u>

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the risk management self insurance program are reviewed and losses are accrued as required in the judgment of management. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits and claims will not have a material adverse effect on the financial position of the County.

B. Grants

Amounts received or receivable from the grantor agencies are subject to audit and adjustment by grantor agencies. If expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the County. In the opinion of management, any such adjustments would not be significant.

In September 2017, most of the state of Florida was affected by Hurricane Irma, including the County. The President of the United States and the Governor of Florida declared most of the State a designated disaster area and issued relief to the State through public assistance grants, coordinated by the Federal Emergency Management Agency (FEMA). Expenses were incurred by the County for hurricane preparedness, debris removal, repairs, and other hurricane-related costs; most of which occurred in fiscal year 2018. The County is working with State and Federal liaisons to recover those costs.

C. Pollution Remediation Obligation

The County has recorded in its financial statements a cost estimate for pollution remediation at the Martel, Davis and Newton Landfill owned and/or operated by the County. These sites have been identified by environmental regulators as locations where historic uses have contributed to various forms of environmental pollution to the properties. The County has reported a cumulative liability of \$2,972,610 at September 30, 2018, to address required environmental cleanup costs associated with these sites. The estimate of costs used to establish the liability was developed through extensive site analysis by independent engineers retained by the County. The liability was measured by estimating a reasonable range of potential outlays and multiplying those outlays by their

probability of occurrence. The liability could change due to price increases or reductions, technology, or changes in applicable laws or regulations. The County believes that its maximum exposure for the Newton cleanup is not currently estimable. Costs of cleaning up the site and restoration of natural resources will be estimated upon completion of the site assessment and investigation. The County does not expect to recover any amounts for remediation cost from any other party.

D. Developer Agreements

The County has entered into several developer agreements which may result in future financial obligations. These agreements with various developers are primarily for capital cost associated with road construction or transportation projects, in which a future asset may be contributed to the County or will benefit the County. The County has agreed to provide up to \$4.76 million in credits, waivers, reductions and/or direct payments for future building impact fees.

E. Landfill Disposal Agreement

The County has entered into an agreement with A.C.M.S. Inc. to secure long-term disposal rights for municipal solid waste in a fully permitted, fully operational Class I landfill in Sumter County. The County will receive a significantly reduced rate for disposal rights in consideration for the prepayment of those rights. The County's upfront payments, which will be disbursed as construction related payments, will enable A.C.M.S. Inc to fund the construction of the First cell of the Landfill. The upfront payment will secure for the County, a warranted and unencumbered, limited property interest in the Landfill, a long-term service agreement in the nature of a prepaid tipping fee, and certain performance security rights on behalf of the public interest in the event of a default. As of September 30, 2018, the total County payment of \$20 million has been recorded as prepaid landfill fees. This represents the tipping fee for the right to dispose of 2.5 million tons of solid waste at the facility for a period up to 30 years. The landfill construction was completed in 2013; however, a timing and utilization plan has not yet been determined.

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLES

In 2018, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, resulting in a restatement of beginning net position for governmental activities and proprietary funds. The components of this adjustment are as follows.

	Governmental Activities	Solid Waste	Marion County Utility	Business-type Activities
<u>Elements of Adjustment:</u>				
County OPEB Liability	\$ (1,597,762)	\$ 19,294	\$ 28,604	\$ 47,898
Deferred Outflows - Transactions subsequent to measurement date	1,219,187	17,270	25,603	42,873
Adjustment to Beginning Net Position	\$ (378,575)	\$ 36,564	\$ 54,207	\$ 90,771
<u>Elements of Restatement:</u>				
Net Position, September 30, 2017 as Originally Reported	\$ 1,357,169,080	\$ 74,391,940	\$ 67,885,046	\$ 142,276,986
Cumulative effect of application of GASB Statement No. 75	(378,575)	36,564	54,207	90,771
Net Position, September 30, 2017 as Restated	\$ 1,356,790,505	\$ 74,428,504	\$ 67,939,253	\$ 142,367,757

REQUIRED SUPPLEMENTARY INFORMATION

Other Post Employment Benefits:

- Schedule of Changes in Total OPEB Liability and Related Ratios

Retirement Benefits:

- Schedule of Proportionate Share of Net Pension Liability
- Schedule of Contributions

**MARION COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS**

	2018
Total OPEB Liability	
Service cost	\$ 1,179,727
Interest	765,798
Difference between expected and actual experience	-
Change of assumptions and other inputs	(1,106,172)
Benefit payments	(1,262,060)
Net change in total OPEB liability	\$ (422,707)
Total OPEB liability - beginning	24,154,462
Total OPEB liability - ending	\$ 23,731,755
 Covered-employee payroll	 89,281,518
Total OPEB liability as a percentage of covered-employee payroll	26.58%

Fiscal year 2018 presents information on the Plan's measurement year ended September 30, 2017.

Notes to the Schedule:

Note 1: GASB 75 requires information for 10 years. However, until a full 10-year trend is compiled, the County is presenting information only for those years for which information is available.

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

**MARION COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS**

Florida Retirement System (FRS):

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.5598007%	0.5663504%	0.5513325%	0.5223217%	0.5280476%
County's proportionate share of the net pension liability (asset)	\$ 168,614,872	\$ 167,522,637	\$ 139,211,883	\$ 67,464,856	\$ 32,218,666
County's covered payroll	\$ 103,346,965	\$ 101,410,129	\$ 95,274,707	\$ 94,971,512	\$ 94,316,446
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	163.15%	165.19%	146.12%	71.04%	34.16%
Plan fiduciary net position as a percentage of the total pension liability (Note 2)	84.26%	83.89%	84.88%	92.00%	96.09%

Health Insurance Subsidy (HIS):

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.3657523%	0.3610185%	0.3518884%	0.3561509%	0.3581788%
County's proportionate share of the net pension liability (asset)	\$ 38,711,634	\$ 38,601,767	\$ 41,011,130	\$ 36,321,793	\$ 33,490,589
County's covered payroll	\$ 119,652,380	\$ 115,235,470	\$ 108,783,713	\$ 108,185,867	\$ 106,524,385
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	32.35%	33.50%	37.70%	33.57%	31.44%
Plan fiduciary net position as a percentage of the total pension liability (Note 2)	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each measurement year were determined as of 6/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the County is presenting information for only those years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in Note 4 of the Plan's Comprehensive Annual Financial Report.

**MARION COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

Florida Retirement System (FRS):

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 16,268,875	\$ 14,335,785	\$ 13,857,372	\$ 12,985,262	\$ 13,011,575
Contributions in relation to the contractually required contribution	\$ (16,268,875)	\$ (14,335,785)	\$ (13,857,372)	\$ (12,985,262)	\$ (13,011,575)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 103,902,811	\$ 99,263,859	\$ 95,731,450	\$ 95,289,168	\$ 93,725,442
Contributions as a percentage of covered payroll	15.66%	14.44%	14.48%	13.63%	13.88%

Health Insurance Subsidy (HIS):

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,998,541	\$ 1,875,044	\$ 1,809,176	\$ 1,489,024	\$ 1,296,213
Contributions in relation to the contractually required contribution	\$ (1,998,541)	\$ (1,875,044)	\$ (1,809,176)	\$ (1,489,024)	\$ (1,296,213)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 120,571,326	\$ 113,079,396	\$ 109,096,038	\$ 108,853,417	\$ 106,214,747
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.37%	1.22%

* The amounts presented for each fiscal year were determined as of 9/30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the County is presenting information for only those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The following changes in actuarial assumptions occurred in 2018:

- FRS: The long-term expected rate of return decreased from 7.10% to 7.00%.
- HIS: The municipal rate used to determine total pension liability was increased from 3.58% to 3.87%.

The following changes in actuarial assumptions occurred in 2017:

- FRS: The long-term expected rate of return decreased from 7.60% to 7.10%.
- HIS: The municipal rate used to determine total pension liability was increased from 2.85% to 3.58%.

The following changes in actuarial assumptions occurred in 2016:

- FRS: There were no significant changes in actuarial assumptions. The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return decreased from 7.65% to 7.60%.
- HIS: The municipal rate used to determine total pension liability was decreased from 3.80% to 2.85%.

The following changes in actuarial assumptions occurred in 2015:

- HIS: The municipal rate used to determine total pension liability was decreased from 4.29% to 3.80%.

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule:

- Infrastructure Surtax Capital Projects Fund

General Fund:

- Combining Balance Sheet and Combining Schedules for General Fund

Non- Major Governmental Funds:

- Combining Financial Statements for All Nonmajor Governmental Funds and Individual Budgetary Comparison Schedules for all Budgeted Nonmajor Governmental Funds

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
INFRASTRUCTURE SURTAX CAPITAL PROJECTS
For the Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 31,960,233	\$ 39,591,199	\$ 7,630,966
Investment Income	-	531,764	531,764
Total Revenues	<u>31,960,233</u>	<u>40,122,963</u>	<u>8,162,730</u>
EXPENDITURES			
Capital Outlay	51,689,631	19,783,734	31,905,897
Total Expenditures	<u>51,689,631</u>	<u>19,783,734</u>	<u>31,905,897</u>
Net Change in Fund Balance	(19,729,398)	20,339,229	40,068,627
Fund Balance - Beginning	<u>19,729,398</u>	<u>21,578,108</u>	<u>1,848,710</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 41,917,337</u>	<u>\$ 41,917,337</u>

GOVERNMENTAL FUNDS

GENERAL FUND

The *General Fund* is the government's 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 includes the Board of County Commissioners, Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector:

Board of County Commissioners

This fund is the primary operating fund of Marion County. It is used to account for all financial resources of the general government except those required to be accounted for in other funds.

Clerk of the Circuit Court and Comptroller

This fund reflects the activities of the Office of the Clerk of Circuit Court and Comptroller. Services provided are in accordance with provisions of the Florida Statutes related primarily to the county and circuit court systems, recording operations, and various other services.

Property Appraiser

This fund reflects the operations of the Office of the Property Appraiser who provides independent appraisals of tangible and personal property for all taxing authorities within the County.

Sheriff

This fund reflects the operations of the Office of the Sheriff. Services provided are for all the law enforcement activities within the County.

Supervisor of Elections

This fund reflects the operations of the Office of the Supervisor of Elections in the performance of its duties in accordance with Florida Statutes.

Tax Collector

This fund reflects the operations of the Office of the Tax Collector who collects and remits ad valorem taxes, licenses, and other revenues, to the related taxing authorities.

MARION COUNTY, FLORIDA
COMBINING BALANCE SHEET
GENERAL FUND BY CATEGORY
September 30, 2018

	Board of County Commissioners	Clerk of the Circuit Court	Property Appraiser
ASSETS			
Cash and Cash Equivalents	\$ 7,811,116	\$ 2,273,941	\$ 190,432
Investments	22,229,162	-	-
Accounts Receivable	4,845,000	1,917	-
Accrued Interest Receivable	90,671	-	-
Due from Other Funds	2,503,221	2,220	-
Due from Other Governments	3,438,123	76,782	-
Inventories	1,073,330	-	-
Prepaid Items	357,216	88,235	59,280
Total Assets	\$ 42,347,839	\$ 2,443,095	\$ 249,712
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,152,840	\$ 170,968	\$ -
Contracts Payable	129,926	-	-
Accrued Liabilities	1,256,425	282,166	57,853
Due to Other Funds	43,338	80,325	188,233
Due to Other Governments	208,061	1,672,051	3,626
Due to Individuals	-	229,929	-
Deposits	38,590	7,656	-
Unearned Revenues	3,494,628	-	-
Advanced Grants	148,618	-	-
Total Liabilities	7,472,426	2,443,095	249,712
Deferred Inflows of Resources:			
Unavailable Revenues	2,461,795	-	-
Total Deferred Inflows of Resources	2,461,795	-	-
Fund Balances:			
Nonspendable:			
Inventories	1,073,330	-	-
Prepaid Items	357,216	88,235	59,280
Assigned to:			
Subsequent Year's Budget	14,449,112	-	-
Unassigned	16,533,960	(88,235)	(59,280)
Total Fund Balances	32,413,618	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,347,839	\$ 2,443,095	\$ 249,712

Sheriff	Supervisor of Elections	Tax Collector	Eliminations	Total General Funds
\$ 5,121,075	\$ 329,347	\$ 745,129	\$ -	\$ 16,471,040
-	-	-	-	22,229,162
510,725	-	-	-	5,357,642
-	-	-	-	90,671
22,945	-	-	(2,503,221)	25,165
-	-	246,670	-	3,761,575
-	-	-	-	1,073,330
-	-	-	-	504,731
<u>\$ 5,654,745</u>	<u>\$ 329,347</u>	<u>\$ 991,799</u>	<u>\$ (2,503,221)</u>	<u>\$ 49,513,316</u>

\$ 675,471	\$ 5,193	\$ 57,380	\$ -	\$ 3,061,852
-	-	-	-	129,926
-	36,502	98,363	-	1,731,309
2,910,887	21,441	836,056	(2,503,221)	1,577,059
-	266,211	-	-	2,149,949
2,068,387	-	-	-	2,298,316
-	-	-	-	46,246
-	-	-	-	3,494,628
-	-	-	-	148,618
<u>5,654,745</u>	<u>329,347</u>	<u>991,799</u>	<u>(2,503,221)</u>	<u>14,637,903</u>

-	-	-	-	2,461,795
-	-	-	-	2,461,795

-	-	-	-	1,073,330
-	-	-	-	504,731
-	-	-	-	14,449,112
-	-	-	-	16,386,445
-	-	-	-	32,413,618
<u>\$ 5,654,745</u>	<u>\$ 329,347</u>	<u>\$ 991,799</u>	<u>\$ (2,503,221)</u>	<u>\$ 49,513,316</u>

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND BY CATEGORY
For the Year Ended September 30, 2018

	Board of County Commissioners	Clerk of the Circuit Court	Property Appraiser
REVENUES			
Taxes	\$ 55,548,502	\$ -	\$ -
Special Assessments	13,283	-	-
Permits and Fees	1,550	-	-
Intergovernmental Revenues	36,129,065	262,828	-
Charges for Services	26,926,373	1,928,189	918,302
Judgments and Fines	418,575	1,951,287	-
Court-Related Revenues	797,015	4,476,832	-
Investment Income	641,646	84,108	696
Miscellaneous Revenues	11,725,776	86,581	-
Total Revenues	132,201,785	8,789,825	918,998
EXPENDITURES			
Current:			
General Government	25,640,875	5,744,283	4,083,113
Public Safety	25,906,548	-	-
Physical Environment	961,569	-	-
Transportation	985,809	-	-
Economic Environment	1,347,726	-	-
Human Services	13,506,686	-	-
Culture/Recreation	9,719,521	-	-
Court-Related	3,824,861	6,178,009	-
Debt Service:			
Principal Retirement	387,393	-	-
Interest and Fiscal Charges	13,959	-	-
Total Expenditures	82,294,947	11,922,292	4,083,113
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,906,838	(3,132,467)	(3,164,115)
OTHER FINANCING SOURCES (USES)			
Transfers In	3,528,091	3,132,467	3,164,115
Transfers (Out)	(52,794,413)	-	-
Issuance of Capital Lease	641,539	-	-
Total Other Financing Sources and (Uses)	(48,624,783)	3,132,467	3,164,115
Net Change in Fund Balances	1,282,055	-	-
Fund Balances - Beginning	31,131,563	-	-
Fund Balances - Ending	\$ 32,413,618	\$ -	\$ -

	Sheriff	Supervisor of Elections	Tax Collector	Eliminations	Total General Funds
\$	-	\$ -	\$ -	\$ -	\$ 55,548,502
	-	-	-	-	13,283
	-	-	-	-	1,550
	-	17,475	-	-	36,409,368
	-	-	-	-	29,772,864
	-	-	-	-	2,369,862
	-	-	-	-	5,273,847
	-	679	-	-	727,129
	-	-	-	(7,584,127)	4,228,230
	-	18,154	-	(7,584,127)	134,344,635
	-	2,597,223	7,727,328	(7,584,127)	38,208,695
80,814,999	-	-	-	-	106,721,547
	-	-	-	-	961,569
	-	-	-	-	985,809
	-	-	-	-	1,347,726
	-	-	-	-	13,506,686
	-	-	-	-	9,719,521
	-	-	-	-	10,002,870
	-	-	-	-	387,393
	-	-	-	-	13,959
80,814,999	2,597,223	7,727,328	(7,584,127)	181,855,775	
(80,814,999)	(2,579,069)	(7,727,328)	-	(47,511,140)	
80,814,999	2,579,069	7,727,328	(49,474,893)	51,471,176	
-	-	-	49,474,893	(3,319,520)	
-	-	-	-	641,539	
80,814,999	2,579,069	7,727,328	-	48,793,195	
-	-	-	-	1,282,055	
-	-	-	-	31,131,563	
\$	\$ -	\$ -	\$ -	\$ -	\$ 32,413,618

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Board of County Commissioners			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 54,983,448	\$ 54,983,448	\$ 55,548,502	\$ 565,054
Special Assessments	23,750	23,750	13,283	(10,467)
Permits and Fees	2,850	2,850	1,550	(1,300)
Intergovernmental Revenues	36,973,233	37,625,567	36,129,065	(1,496,502)
Charges for Services	23,865,167	23,870,248	26,926,373	3,056,125
Judgments and Fines	278,350	278,350	418,575	140,225
Court-Related Revenues	1,075,563	1,119,738	797,015	(322,723)
Investment Income	425,315	425,315	641,646	216,331
Miscellaneous Revenues	14,554,874	14,652,816	11,725,776	(2,927,040)
Total Revenues	132,182,550	132,982,082	132,201,785	(780,297)
EXPENDITURES				
Current:				
General Government	42,014,661	42,355,662	25,640,875	16,714,787
Public Safety	27,935,827	27,935,827	25,906,548	2,029,279
Physical Environment	1,217,164	1,215,591	961,569	254,022
Transportation	991,203	1,005,868	985,809	20,059
Economic Environment	4,984,364	4,990,139	1,347,726	3,642,413
Human Services	16,635,976	17,244,231	13,506,686	3,737,545
Culture/Recreation	11,985,692	11,978,607	9,719,521	2,259,086
Court-Related	5,644,945	5,710,222	3,824,861	1,885,361
Debt Service:				
Principal Retirement	249,428	387,394	387,393	1
Interest and Fiscal Charges	13,963	13,963	13,959	4
Total Expenditures	111,673,223	112,837,504	82,294,947	30,542,557
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,509,327	20,144,578	49,906,838	29,762,260
OTHER FINANCING SOURCES (USES)				
Transfers In	3,400,607	3,528,092	3,528,091	(1)
Transfers (Out)	(51,812,145)	(54,329,688)	(52,794,413)	1,535,275
Issuance of Capital Lease	-	641,540	641,539	(1)
Total Other Financing Sources and (Uses)	(48,411,538)	(50,160,056)	(48,624,783)	1,535,273
Net Change in Fund Balances	(27,902,211)	(30,015,478)	1,282,055	31,297,533
Fund Balance - Beginning	27,902,211	30,015,478	31,131,563	1,116,085
Fund Balance - Ending	\$ -	\$ -	\$ 32,413,618	\$ 32,413,618

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Clerk of the Circuit Court			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental Revenues	\$ 243,864	\$ 243,864	\$ 262,828	\$ 18,964
Charges for Services	1,710,000	1,931,495	1,928,189	(3,306)
Judgments and Fines	1,572,734	1,929,760	1,951,287	21,527
Court-Related Revenues	4,456,527	4,526,527	4,476,832	(49,695)
Investment Income	20,242	75,524	84,108	8,584
Miscellaneous Revenues	71,604	71,958	86,581	14,623
Total Revenues	8,074,971	8,779,128	8,789,825	10,697
EXPENDITURES				
Current:				
General Government	5,391,794	5,818,925	5,744,283	74,642
Court-Related	5,740,018	6,167,044	6,178,009	(10,965)
Total Expenditures	11,131,812	11,985,969	11,922,292	63,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,056,841)	(3,206,841)	(3,132,467)	74,374
OTHER FINANCING SOURCES (USES)				
Transfers In	3,056,841	3,206,841	3,132,467	(74,374)
Total Other Financing Sources and (Uses)	3,056,841	3,206,841	3,132,467	(74,374)
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Property Appraiser			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
REVENUES				
Charges for Services	\$ 909,605	\$ 909,605	\$ 918,302	\$ 8,697
Investment Income	-	-	696	696
Total Revenues	<u>909,605</u>	<u>909,605</u>	<u>918,998</u>	<u>9,393</u>
EXPENDITURES				
Current:				
General Government	4,258,915	4,265,579	4,083,113	182,466
Total Expenditures	<u>4,258,915</u>	<u>4,265,579</u>	<u>4,083,113</u>	<u>182,466</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,349,310)</u>	<u>(3,355,974)</u>	<u>(3,164,115)</u>	<u>191,859</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,349,310	3,355,974	3,164,115	(191,859)
Total Other Financing Sources and (Uses)	<u>3,349,310</u>	<u>3,355,974</u>	<u>3,164,115</u>	<u>(191,859)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Sheriff			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
EXPENDITURES				
Current:				
Public Safety	\$ 77,199,128	\$ 83,183,381	\$ 80,814,999	\$ 2,368,382
Total Expenditures	<u>77,199,128</u>	<u>83,183,381</u>	<u>80,814,999</u>	<u>2,368,382</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(77,199,128)</u>	<u>(83,183,381)</u>	<u>(80,814,999)</u>	<u>2,368,382</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	77,199,128	83,183,381	80,814,999	(2,368,382)
Total Other Financing Sources and (Uses)	<u>77,199,128</u>	<u>83,183,381</u>	<u>80,814,999</u>	<u>(2,368,382)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Supervisor of Elections			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
REVENUES				
Intergovernmental Revenues	\$ -	\$ 15,289	\$ 17,475	\$ 2,186
Investment Income	-	-	679	679
Total Revenues	<u>-</u>	<u>15,289</u>	<u>18,154</u>	<u>2,865</u>
EXPENDITURES				
Current:				
General Government	2,567,402	2,585,724	2,597,223	(11,499)
Total Expenditures	<u>2,567,402</u>	<u>2,585,724</u>	<u>2,597,223</u>	<u>(11,499)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,567,402)</u>	<u>(2,570,435)</u>	<u>(2,579,069)</u>	<u>(8,634)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,567,402	2,570,435	2,579,069	8,634
Total Other Financing Sources and (Uses)	<u>2,567,402</u>	<u>2,570,435</u>	<u>2,579,069</u>	<u>8,634</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Tax Collector			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
EXPENDITURES				
Current:				
General Government	\$ 7,997,426	\$ 7,997,426	\$ 7,727,328	\$ 270,098
Total Expenditures	<u>7,997,426</u>	<u>7,997,426</u>	<u>7,727,328</u>	<u>270,098</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,997,426)</u>	<u>(7,997,426)</u>	<u>(7,727,328)</u>	<u>270,098</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	7,997,426	7,997,426	7,727,328	(270,098)
Total Other Financing Sources and (Uses)	<u>7,997,426</u>	<u>7,997,426</u>	<u>7,727,328</u>	<u>(270,098)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Eliminations			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
REVENUES				
Miscellaneous Revenues	\$ -	\$ (7,584,127)	\$ (7,584,127)	\$ -
Total Revenues	<u>-</u>	<u>(7,584,127)</u>	<u>(7,584,127)</u>	<u>-</u>
EXPENDITURES				
Current:				
General Government	-	(7,584,127)	(7,584,127)	-
Total Expenditures	<u>-</u>	<u>(7,584,127)</u>	<u>(7,584,127)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	(49,474,893)	(49,474,893)
Transfers (Out)	-	-	49,474,893	49,474,893
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2018

	Total			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 54,983,448	\$ 54,983,448	\$ 55,548,502	\$ 565,054
Special Assessments	23,750	23,750	13,283	(10,467)
Permits and Fees	2,850	2,850	1,550	(1,300)
Intergovernmental Revenues	37,217,097	37,884,720	36,409,368	(1,475,352)
Charges for Services	26,484,772	26,711,348	29,772,864	3,061,516
Judgments and Fines	1,851,084	2,208,110	2,369,862	161,752
Court-Related Revenues	5,532,090	5,646,265	5,273,847	(372,418)
Investment Income	445,557	500,839	727,129	226,290
Miscellaneous Revenues	14,626,478	7,140,647	4,228,230	(2,912,417)
Total Revenues	<u>141,167,126</u>	<u>135,101,977</u>	<u>134,344,635</u>	<u>(757,342)</u>
EXPENDITURES				
Current:				
General Government	62,230,198	55,439,189	38,208,695	17,230,494
Public Safety	105,134,955	111,119,208	106,721,547	4,397,661
Physical Environment	1,217,164	1,215,591	961,569	254,022
Transportation	991,203	1,005,868	985,809	20,059
Economic Environment	4,984,364	4,990,139	1,347,726	3,642,413
Human Services	16,635,976	17,244,231	13,506,686	3,737,545
Culture/Recreation	11,985,692	11,978,607	9,719,521	2,259,086
Court-Related	11,384,963	11,877,266	10,002,870	1,874,396
Debt Service:				
Principal Retirement	249,428	387,394	387,393	1
Interest and Fiscal Charges	13,963	13,963	13,959	4
Total Expenditures	<u>214,827,906</u>	<u>215,271,456</u>	<u>181,855,775</u>	<u>33,415,681</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,660,780)</u>	<u>(80,169,479)</u>	<u>(47,511,140)</u>	<u>32,658,339</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	97,570,714	103,842,149	51,471,176	(52,370,973)
Transfers (Out)	(51,812,145)	(54,329,688)	(3,319,520)	51,010,168
Issuance of Capital Lease	-	641,540	641,539	(1)
Total Other Financing Sources and (Uses)	<u>45,758,569</u>	<u>50,154,001</u>	<u>48,793,195</u>	<u>(1,360,806)</u>
Net Change in Fund Balances	<u>(27,902,211)</u>	<u>(30,015,478)</u>	<u>1,282,055</u>	<u>31,297,533</u>
Fund Balance - Beginning	<u>27,902,211</u>	<u>30,015,478</u>	<u>31,131,563</u>	<u>1,116,085</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,413,618</u>	<u>\$ 32,413,618</u>

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The County has the following Special Revenue Funds:

Fine and Forfeiture Funds

Fines and Forfeiture Fund

Established pursuant to the provisions of Section 142.01, Florida Statutes, to account for expenditures related to the costs of criminal prosecutions and for the proceeds of certain court fines and costs.

Fines and Forfeiture Crime Prevention Fund

Established pursuant to the provisions of Section 775.083, to account for funds related to the costs of crime prevention and for the proceeds of certain court fines and costs.

80% Gas Tax Construction Fund

Used to account for the County proceeds of the 80% portion of the Constitutional Gas Tax (2 cents per gallon), which is collected and distributed by the State of Florida. Expenditures from this fund may be used for the acquisition, construction and maintenance of roads as authorized by Section 334.03, Florida Statutes.

20% Gas Tax Construction Fund

Used to account for the County's proceeds of the 20% portion of the Constitutional Gas Tax (2 cents per gallon), which is collected and distributed by the State of Florida. Purposes for which these funds may be expended have been restricted pursuant to an opinion of the Florida Attorney General and, therefore, are limited to the purchase of materials used in the construction and maintenance of roads and bridges.

County Transportation Maintenance Fund

Created pursuant to the provisions of Section 129.02, Florida Statutes, to account for transportation related revenues and expenditures. The primary revenue source are gas taxes (one cent voted, 6th cent local, and 7th cent county) which are used to fund the activities of the Transportation Department.

Sidewalk Construction Fund

Created pursuant to the provisions of Section 6.12.12 of the Land Development Code adopted by Ordinance 13-20, to account for sidewalk fees paid by developers to the County in lieu of construction along external streets. The County may use these funds toward construction of sidewalks throughout the County based on priorities established by the Board.

Dunnellon Airport Fund

Created pursuant to the provisions of Chapter 81-436, Laws of Florida, to account for the revenues and expenditures related to the operation of this Southwest Marion County facility. The Board of County Commissioners serve as the Dunnellon Airport Authority which is the governing body of this facility. Revenues are generated primarily through fuel sales and the rental of County-owned real property in addition to grants received from the State of Florida Department of Transportation. Expenditures predominantly result from the maintenance and or improvement to the airport runways and related improvements.

Alcohol and Other Drug Abuse Trust Fund

Created pursuant to the provisions of Section 893.165, Florida Statutes, and Ordinance 13-12 to account for the mandatory costs, discretionary costs, and assessments remitted to Marion County pursuant to Sections 938.13, 938.21 and 938.23, Florida Statutes. These monies shall be used only for the support of alcohol and other drug abuse treatment and educational programs based in Marion County, Florida, which meet the standards of qualifications for such programs of the Florida Department of Children and Family Services.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

2nd Local Option Fuel Tax Fund

Established pursuant to the provisions of Section 336.025, Florida Statutes, to account for the proceeds from the 2nd Local Option Fuel Tax (5 cents per gallon). The use of proceeds provides for distribution between Marion County and municipalities located within Marion County, to fund necessary transportation improvements in Marion County in accordance with the adopted local government comprehensive plan.

Marion County Health Department Fund

Established pursuant to the provisions of Sections 154.02 and 154.06, Florida Statutes, to account for the proceeds of a special ad valorem tax levy established by the Board and transmitted in equal monthly installments to the Marion County Health Unit, where they are used to subsidize operations.

Criminal Justice Court Costs Fund

Created pursuant to the provisions of Section 939.185, Florida Statutes, to account for the Revenue of additional court costs and surcharges. The Board of County Commissioners may adopt by Ordinance an additional court cost, not to exceed \$65. Authorized uses of the amount collected include payments to be allocated to fund court innovations, legal aid, law library and juvenile programs.

Law Enforcement Trust Fund

Created pursuant to the provisions of Section 932.704, Florida Statutes, to account for the net proceeds from the sale or conversion of forfeited properties. Expenditures payable from this fund are legally restricted to nonrecurring obligations of the Sheriff's office, including equipment purchases. Although legally entitled as a trust fund, this fund is more properly accounted for as a special revenue fund due to the nature of the transactions recorded therein.

Sheriff Educational Fund

Created to account for the revenues generated by the imposition by the Board of an additional \$2 per case for court cost, assessed against every person convicted for violation of a state penal or criminal statute, municipal or county ordinance. Pursuant to Section 938.15, Florida Statutes, monies received are required to be expended for criminal justice education and training of law enforcement officers, corrections officers and support personnel.

911 Management Fund

Created in accordance with the provisions of the Florida Emergency Telephone Act (Sections 365.171 and 365.172, Florida Statutes) to account for the Enhanced 911 (E911) fees imposed and collected from local telephone exchange customers and subscribers of wireless telephone services. 911 service directs 911 calls to the appropriate public safety answering point and provides for automatic number and location identification. The E911 Board may adjust the allocation percentages or adjust the amount of the fee, or both, if necessary, to ensure full cost recovery or prevent over recovery of costs incurred in the provision of E911. Expenditures are restricted to the establishment and maintenance of an enhanced emergency telephone number 911 system or enhanced 911 service.

Building Department Fund

Created pursuant to the provisions of Section 533.79, Florida Statutes, and Ordinance 01-34 to account for revenues generated by building permit fees levied by the Board by resolution. Fees generated are used to fund costs of the building permitting activities and inspections.

Tourist Development Tax

Created pursuant to the provisions of Chapter 125.0104, Florida Statutes, and Ordinance 78-13 to account for the two percent Tourist Development Tax. The tax is collected by the Marion County Tax Collector and transmitted monthly to Marion County. The tax is used to fund the Marion County Tourist Development Plan.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

Parks and Recreation Fees Fund

Created in accordance with the provisions of the Marion County Code of Ordinances (Chapter 14) and Ordinance 94-20, to account for user fees generated by the parks and recreation department. The Board shall by resolution, adopt fees for use of any or all parks and any improvements or facilities therein. These funds are used for parks and recreation capital.

Local Housing Assistance Trust Fund

The Local Housing Assistance Trust Fund was created pursuant to the provisions of Section 420.9075, Florida Statutes, and Ordinance 93-13 to account for the local housing distribution monies received from the State of Florida in connection with the State Housing Initiative Partnership (SHIP) program. Authorized expenditures from the Local Housing Assistance Trust Fund are limited to the administration and implementation of the local housing assistance program.

Medical Examiner

Established by an interlocal agreement between Marion, Citrus, Hernando, Sumter and Lake Counties pursuant to the provisions of Chapter 406, Florida Statutes, for the joint operation of the District Medical Examiner's Office. In accordance with the agreement, Marion County serves as the Administrative Coordinator and is responsible for managing all funds associated with this agreement.

Impact Fee Ordinance Trust Fund – District 1

Established to account for the amount of transportation impact fees levied by the Board and collected pursuant to Marion County Ordinance Number 89-27. Amounts are collected for four separate districts and are deposited and accounted for separately by District. The revenues generated are to be used for capital improvements of roads on the County's major road network system, not for maintenance or operations, within the district.

Impact Fee Ordinance Trust Fund – District 2

Established to account for the amount of transportation impact fees levied by the Board and collected pursuant to Marion County Ordinance Number 89-27. Amounts are collected for four separate districts and are deposited and accounted for separately by District. The revenues generated are to be used for capital improvements of roads on the County's major road network system, not for maintenance or operations, within the district.

Impact Fee Ordinance Trust Fund – District 3

Established to account for the amount of transportation impact fees levied by the Board and collected pursuant to Marion County Ordinance Number 89-27. Amounts are collected for four separate districts and are deposited and accounted for separately by District. The revenues generated are to be used for capital improvements of roads on the County's major road network system, not for maintenance or operations, within the district.

Impact Fee Ordinance Trust Fund – District 4

Established to account for the amount of transportation impact fees levied by the Board and collected pursuant to Marion County Ordinance Number 89-27. Amounts are collected for four separate districts and are deposited and accounted for separately by District. The revenues generated are to be used for capital improvements of roads on the County's major road network system, not for maintenance or operations, within the district.

Impact Fee Trust Fund – East District

Established to account for the amount of transportation impact fees levied by the Board and collected pursuant to Marion County Ordinance Number 15-14. Amounts are collected for two separate districts and are deposited and accounted for separately by District. The revenues generated are to be used for capital improvements of roads on the County's major road network system, not for maintenance or operations, within the district.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS - Continued

Impact Fee Trust Fund – West District

Established to account for the amount of transportation impact fees levied by the Board and collected pursuant to Marion County Ordinance Number 15-14. Amounts are collected for two separate districts and are deposited and accounted for separately by District. The revenues generated are to be used for capital improvements of roads on the County's major road network system, not for maintenance or operations, within the district.

Rainbow Lakes Estates MSD Fund

Created pursuant to the provisions of Section 125.01, Florida Statutes, and the provisions of the Marion County Code of Ordinances (Article XI, Chapter 12) to account for the MSTU for Road Improvements, and to account for the provision of municipal type services to a limited geographic area encompassing portions of both Marion and Levy Counties. Funding is provided primarily through the levy and collection of ad valorem taxes by the Board as governing body of this multi-County taxing district.

Rainbow Lakes Estates Fire Protection MSBU

Created in accordance with the provisions of the Marion County Code of Ordinances (Article XII, Chapter 12) to account for the proceeds of special assessments levied by the Board on property located in the Rainbow Lakes Estates area and collected by the Tax Collector are accounted for in this fund. The purpose is to provide fire protection within the Rainbow Lakes Estates area.

Marion Oaks MSTU Fund

The Marion Oaks MSTU fund was created pursuant to the provisions of Section 125.01, Florida Statutes, to account for the costs of providing law enforcement as well as the construction, maintenance, and operation of community resource facilities within the Marion Oaks development. Revenues are generated through a levy by the Board of special assessments upon properties located exclusively within the Marion Oaks area.

MSTU/MSBU for Road Improvements

Rainbow Lakes Estates MSTU for Road Improvements Fund

The proceeds of special assessments levied by the Board on property located in the Rainbow Lakes Estates area and collected by the Tax Collector are accounted for in this fund. The purpose is to provide road improvements within the Rainbow Lakes Estates area.

Silver Springs Shores MSTU for Road Improvements Fund

The costs of providing stabilization and maintenance of roads within this subdivision are accounted for in this fund. The primary source of funding for these services is ad valorem taxes.

Lake Tropicana MSTU for Road Improvements Fund

The costs of providing stabilization and maintenance of roads within this subdivision are accounted for in this fund. The primary source of funding for these services is ad valorem taxes.

Golden Hills MSTU for Road Improvements Fund

Costs of road improvements made within the Golden Hills subdivision, and funded by a special per-parcel assessment levied by the Board and collected by the Tax Collector and accounted for in this fund.

Kingsland Estates/Ocala Waterway MSBU for Road Maintenance

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road maintenance in the covered area.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS – Continued

MSTU/MSBU for Road Improvements - continued

Kingsland Whispering Pines/Forrest Glenn MSBU for Road Maintenance

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road maintenance in the covered area.

Silver Spring Acres MSBU for Road Maintenance

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road maintenance in the covered area.

Ocala Waterway Estates MSBU for Road Maintenance

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road maintenance in the covered area.

NW 17th Avenue/Northwood MSBU for Road Maintenance

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road maintenance in the covered area.

Rainbow Park Units 1 & 2 MSBU for Road Maintenance

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road maintenance in the covered area.

Pine Run Estates MSTU for Road Improvements Fund

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road improvements in the covered area.

Woods and Lakes Subdivision MSBU for Road Maintenance

The proceeds of special assessments levied by the Board exclusively upon properties located within Woods and Lakes Subdivision and collected by the Tax Collector are accounted for in this fund. The purpose for which the funds so derived may legally be expended is generally limited to the provision of road improvements and maintenance.

Marion Oaks MSTU for Road Improvements Fund

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road improvements in the covered area.

Paradise Farms MSBU for Roadside Mowing Fund

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for roadside mowing in the covered area.

Stonecrest Center MSBU for Road Maintenance

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road maintenance in the covered area.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS – Continued

MSTU/MSBU for Road Improvements - continued

Deer Path Estates Phase 1 & Phase 2 MSBU for Road Maintenance

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for road maintenance in the covered area.

Silver Springs Shores MSTU Fund

Created by the Board pursuant to Section 125.01, Florida Statutes, and used to account for street lighting, cultural and recreational services provided to this commercial and residential community. The primary source of revenue for this municipal service taxing unit is ad valorem taxes levied solely within the geographic boundaries of the taxing unit.

MSTU/MSBU for Recreation Fund

Rainbow Lakes Estates Community Recreational Facility MSBU

The proceeds of special assessments levied by the Board on property located in the Rainbow Lakes Estates area and collected by the Tax Collector are accounted for in this fund. Per-parcel assessments levied within the community are the primary source of funding for these services.

Hills of Ocala MSTU for Recreation Fund

Used to account for the costs of recreation and related services provided to this community located in Southwest Marion County. Per-parcel assessments levied within the community are the primary source of funding for these services.

MSTU for Street Lighting

Indian Meadows MSTU for Street Lighting

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for street lighting.

Ocala Heights MSTU for Street Lighting

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for street lighting.

Bahia Oaks MSTU for Street Lighting

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for street lighting.

Boardman MSTU for Street Lighting

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for street lighting.

Doublegate MSTU for General Services

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for municipal services in the covered area.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS – Continued

MSTU for Street Lighting - continued

Hickory Hills MSTU for Street Lighting Services

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for street lighting.

Raven Hill MSTU for General Services

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for municipal services in the covered area.

Churchill Subdivision MSTU for Street Lighting

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for street lighting in the covered area.

Little Lake Weir-Edgewater Estates for Street Lighting

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for street lighting in the covered area.

Rainbow's End MSTU for General Municipal Services Fund

Created to account for a wide variety of authorized expenditures including, but not limited to, road improvements and street lighting. Revenues to fund said expenditures are generated through the levy of a special per-parcel assessment by the Board which is collected by the Tax Collector as a part of the tax roll.

Marion Oaks MSTU for General Services Fund

The proceeds of special assessments levied by the Board exclusively on the properties within the boundaries established and collected by the Tax Collector are accounted for by this fund. The assessments collected will provide for road repairs, mowing and street lighting.

Citrus Park MSTU Fund

Created to account for the proceeds of a special per-parcel assessment levied by the Board on the Citrus Park Subdivision. The assessment will be used to provide municipal services in the covered area and will be collected by the Tax Collector via the tax roll.

Bolder Hill MSTU for Street Lighting

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for street lighting in the covered area.

Fire Rescue Impact Fees Fund

Established to account for the impact fees levied by the Board and collected pursuant to Marion County Ordinance Number 08-19, restricted for the costs required to finance fire rescue facility improvements necessitated by new development in the County.

Stormwater Program

Established pursuant to Ordinance No. 02-13 to account for the special per-parcel assessment levied by the Board within the designated service area. Assessments are collected by the Tax Collector, and will provide for the establishment and operation of the Stormwater Program throughout the service area.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS – Continued

MSTU/MSBU for General Services

Tompkins and Georges Addition to Dunnellon MSTU Fund

Used to account for the special per-parcel assessment levied by the Board on property located in the Tompkins and Georges addition to Dunnellon Subdivision and collected by the Tax Collector as part of the tax roll. Funds derived are to be used for the provision of general municipal services.

The Hamlet at Sherman Oaks MSBU for General Services Fund

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for municipal services in the covered area.

Country Estates Buffington Addition MSTU Fund

The costs of general municipal services provided in the Country Estates Buffington Addition Subdivision are funded by a special per-parcel assessment levied by the Board and collected by the Tax Collector are accounted for in this fund.

Wineberry MSTU for General Services Fund

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for municipal services in the covered area.

Golden Hills MSTU for General Services Fund

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for municipal services in the covered area.

Delcrest MSTU for General Services Fund

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for municipal services in the covered area.

Bellaire MSTU for Services Fund

Established to account for the special per-parcel assessment levied by the Board exclusively on the properties within the boundaries established. Assessments are collected by the Tax Collector and will provide for municipal services in the covered area.

Clerk of the Circuit Court Trust Fund

This fund reflects the activities of the Office of the Clerk of Circuit Court Trust Funds. Services provided are in accordance with provisions of the Florida Statutes for Records Modernization.

NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt Service funds are also used to report resources if legally mandated and financial resources that are being accumulated for principal and interest maturing in the future. The County has the following Debt Service Funds:

Parks and Land Acquisition Debt Service Fund

Created pursuant to the provisions of resolutions authorizing the issuance of Limited Ad Valorem Tax Refunding Bonds, Series 1994 and 1998. As specified in the resolutions and approved by a referendum vote on November 8, 1988, the primary source of revenue to be used for the repayment of the bonds is a levy of ad valorem (property) taxes on all taxable property within the County at a rate not to exceed one-half of 1 mill (rate per \$1,000 of taxable value) in any year.

Infrastructure Surtax Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on capital lease purchase agreements being funded by the one percent infrastructure surtax.

Public Improvement Transportation Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Public Improvement Revenue Bonds. Revenue used to fund the debt service payments is generated through the Second local option fuel tax and secured by Sales Tax.

Special Assessment Bonds, Series 2007B Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2007B. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2008B Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2008B. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2009A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2009A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2010A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2010A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS – Continued

Special Assessment Bonds, Series 2011A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2011A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2012A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2012A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2013A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2013A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2014A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2014A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2015A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2015A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2016A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2016A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

Special Assessment Bonds, Series 2017A Debt Service Fund

Created to account for payment of the periodic principal and interest payments due on the Special Assessment Bonds, Series 2017A. Revenue used to fund the debt service payments is generated through the levy of special assessments against the benefited properties.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital outlay. Capital Project funds exclude capital-related outflows financed by proprietary fund or for assets held in trust for individuals, private organizations, or other governments. The County has the following Capital Projects Funds:

Parks Capital Projects Fund

This fund accounts for bond proceeds and grant revenues to be used for future acquisitions of parks and environmentally sensitive lands.

CIP Capital Projects Fund

This fund accounts for the capital expenditures of various infrastructure related projects.

Surtax Capital Projects Fund

This fund is used to account for proceeds from the one percent infrastructure surtax and related expenditures.

Public Improvement Transportation Capital Projects Fund

This fund is used to account for payment of the Public Improvement Revenue Bonds, Series 2009A and Series 2010, issued to provide funds for the construction of road improvements within the County.

Special Assessment Bonds, Series 2015A Capital Projects Fund

Created to account for payment of the Special Assessment Bonds, Series 2015A issued to provide funds for the construction of road improvements within the benefited boundaries.

Special Assessment Bonds, Series 2016A Capital Projects Fund

Created to account for payment of the Special Assessment Bonds, Series 2016A issued to provide funds for the construction of road improvements within the benefited boundaries.

Special Assessment Bonds, Series 2017A Capital Projects Fund

Created to account for payment of the Special Assessment Bonds, Series 2017A issued to provide funds for the construction of road improvements within the benefited boundaries.

Special Assessment Bonds, Series 2019A Capital Projects Fund

Created to account for payment of the Special Assessment Bonds, Series 2019A issued to provide funds for the construction of road improvements within the benefited boundaries. The bonds for this capital project will be issued in fiscal year 2019.



MARION COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 76,729,315	\$ 3,489,136	\$ 5,237,809	\$ 85,456,260
Investments	24,414,917	-	-	24,414,917
Accounts Receivable	1,096,639	-	-	1,096,639
Accrued Interest Receivable	97,644	-	-	97,644
Special Assessments Receivable	91,765	5,378,991	-	5,470,756
Due from Other Funds	416,349	9,410	-	425,759
Due from Other Governments	3,790,812	-	-	3,790,812
Inventories	1,305,736	-	-	1,305,736
Prepaid Items	277,676	-	-	277,676
Total Assets	\$ 108,220,853	\$ 8,877,537	\$ 5,237,809	\$ 122,336,199
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,518,391	\$ -	\$ 28,740	\$ 1,547,131
Contracts Payable	130,480	-	-	130,480
Accrued Liabilities	444,651	-	-	444,651
Due to Other Funds	3,040	-	-	3,040
Due to Other Governments	146,497	-	-	146,497
Deposits	819,415	-	-	819,415
Unearned Revenues	9,619	-	-	9,619
Advanced Grants	60,118	-	-	60,118
Total Liabilities	3,132,211	-	28,740	3,160,951
Deferred Inflows of Resources:				
Deferred Assessments	91,765	5,378,991	-	5,470,756
Unavailable Grant Revenues	1,038,976	-	-	1,038,976
Total Deferred Inflows of Resources	1,130,741	5,378,991	-	6,509,732
Fund Balances:				
Nonspendable:				
Inventories	1,305,736	-	-	1,305,736
Prepays	277,676	-	-	277,676
Restricted for:				
Court Innovations	74,632	-	-	74,632
Records Modernization Tech	1,407,756	-	-	1,407,756
Debt Service Reserve	-	3,498,546	-	3,498,546
Fire and Rescue	3,579,262	-	-	3,579,262
Infrastructure	-	-	296,099	296,099
Law Enforcement	4,003,980	-	-	4,003,980
Parks and Recreation	1,693,066	-	277,187	1,970,253
Public Safety	6,552,885	-	-	6,552,885
Resource Conservation	12,147,319	-	-	12,147,319
Road Construction	35,547,820	-	4,544,588	40,092,408
Social Services	2,993,312	-	-	2,993,312
Tourism	3,884,311	-	-	3,884,311
Transportation Maintenance	27,796,455	-	-	27,796,455
Committed to:				
Airport	324,277	-	-	324,277
Parks and Recreation	2,369,414	-	-	2,369,414
Assigned to:				
Infrastructure	-	-	5,495	5,495
Parks and Recreation	-	-	5,490	5,490
Road Construction	-	-	80,210	80,210
Total Fund Balances	103,957,901	3,498,546	5,209,069	112,665,516
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 108,220,853	\$ 8,877,537	\$ 5,237,809	\$ 122,336,199

MARION COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 36,743,038	\$ 5,575,683	\$ -	\$ 42,318,721
Special Assessments	8,743,449	2,204,669	-	10,948,118
Impact Fees	3,162,053	-	-	3,162,053
Permits and Fees	5,343,017	-	-	5,343,017
Intergovernmental Revenues	7,963,694	-	-	7,963,694
Charges for Services	5,568,923	-	-	5,568,923
Judgments and Fines	519,333	-	-	519,333
Court-Related Revenues	489,916	-	-	489,916
Investment Income	1,507,238	85,010	91,440	1,683,688
Miscellaneous Revenues	1,258,640	-	-	1,258,640
Total Revenues	71,299,301	7,865,362	91,440	79,256,103
EXPENDITURES				
Current:				
General Government	1,046,791	-	-	1,046,791
Public Safety	9,429,995	-	-	9,429,995
Physical Environment	4,379,231	-	-	4,379,231
Transportation	23,307,384	-	22,726	23,330,110
Economic Environment	4,969,423	-	-	4,969,423
Human Services	1,880,907	-	-	1,880,907
Culture/Recreation	2,889,796	-	-	2,889,796
Court-Related	1,398,296	-	-	1,398,296
Debt Service:				
Principal Retirement	-	6,796,945	-	6,796,945
Interest and Fiscal Charges	-	1,569,286	5,326	1,574,612
Capital Outlay	-	-	438,359	438,359
Total Expenditures	49,301,823	8,366,231	466,411	58,134,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,997,478	(500,869)	(374,971)	21,121,638
OTHER FINANCING SOURCES (USES)				
Transfers In	1,088,419	91,215	-	1,179,634
Transfers (Out)	(9,016,111)	(110,094)	(105,792)	(9,231,997)
Total Other Financing Sources (Uses)	(7,927,692)	(18,879)	(105,792)	(8,052,363)
Net Change in Fund Balances	14,069,786	(519,748)	(480,763)	13,069,275
Fund Balances - Beginning	89,888,115	4,018,294	5,689,832	99,596,241
Fund Balances - Ending	\$ 103,957,901	\$ 3,498,546	\$ 5,209,069	\$ 112,665,516

MARION COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2018

	Fines and Forfeitures	80% Gas Tax Construction	20% Gas Tax Construction	County Transportation Maintenance Fund	Sidewalk Construction	Dunnellon Airport
ASSETS						
Cash and Cash Equivalents	\$ 2,746,930	\$ 10,984,331	\$ 2,402,772	\$ 6,173,784	\$ 250,067	\$ 342,968
Investments	-	-	-	14,924,723	-	-
Accounts Receivable	2,235	-	-	41,025	-	1,752
Accrued Interest Receivable	-	-	-	61,124	-	-
Special Assessments Receivable	-	-	-	91,765	-	-
Due from Other Funds	411,204	-	-	4,161	-	-
Due from Other Governments	28,243	326,439	81,610	2,342,880	-	-
Inventories	-	-	1,292,761	-	-	12,975
Prepaid Items	330	-	-	90	-	-
Total Assets	\$ 3,188,942	\$ 11,310,770	\$ 3,777,143	\$ 23,639,552	\$ 250,067	\$ 357,695
LIABILITIES						
Accounts Payable	\$ 12,241	\$ 297	\$ 33,340	\$ 418,606	\$ -	\$ 2,245
Contracts Payable	-	-	-	4,734	-	-
Accrued Liabilities	-	-	-	205,273	-	4,648
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	68,952	-	-	1,406	-	1,328
Deposits	-	-	-	451,673	-	12,222
Unearned Revenues	-	-	-	-	-	-
Advanced Grants	-	-	-	15,428	-	-
Total Liabilities	81,193	297	33,340	1,097,120	-	20,443
DEFERRED INFLOWS OF RESOURCES						
Deferred Assessments	-	-	-	91,765	-	-
Unavailable Grant Revenues	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	91,765	-	-
FUND BALANCES						
Nonspendable:						
Inventories	-	-	1,292,761	-	-	12,975
Prepaid Items	330	-	-	90	-	-
Restricted for:						
Court Innovations	-	-	-	-	-	-
Records Modernization Tech	-	-	-	-	-	-
Fire and Rescue	-	-	-	-	-	-
Law Enforcement	3,107,419	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Resource Conservation	-	-	-	-	-	-
Road Construction	-	11,310,473	-	-	-	-
Social Services	-	-	-	-	-	-
Tourism	-	-	-	-	-	-
Transportation Maintenance	-	-	2,451,042	22,450,577	250,067	-
Committed to:						
Airport	-	-	-	-	-	324,277
Parks & Recreation	-	-	-	-	-	-
Total Fund Balances	3,107,749	11,310,473	3,743,803	22,450,667	250,067	337,252
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,188,942	\$ 11,310,770	\$ 3,777,143	\$ 23,639,552	\$ 250,067	\$ 357,695

Alcohol and Drug Abuse Trust Fund	2nd Local Option Fuel Tax	Marion County Health Department	Criminal Justice Court Costs	Law Enforcement Trust Fund	Sheriff's Educational	911 Management Fund	Building Department Fund	Tourist Development Fund
\$ 44,590	\$ 11,266,811	\$ 264,241	\$ 70,040	\$ 315,762	\$ 575,801	\$ 2,768,969	\$ 6,572,354	\$ 4,093,806
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6,120
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
973	543,992	513	19,184	-	4,998	83,170	-	188,179
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	596	540	8,581
<u>\$ 45,563</u>	<u>\$ 11,810,803</u>	<u>\$ 264,754</u>	<u>\$ 89,224</u>	<u>\$ 315,762</u>	<u>\$ 580,799</u>	<u>\$ 2,852,735</u>	<u>\$ 6,572,894</u>	<u>\$ 4,296,686</u>
\$ 1,201	\$ 128,216	\$ -	\$ 4,835	\$ -	\$ -	\$ 5,984	\$ 24,884	\$ 387,892
-	-	-	-	-	-	-	-	-
-	-	-	2,803	-	-	18,569	100,700	11,843
-	-	-	-	-	-	-	180	-
-	-	-	6,954	-	-	9	39,175	4,059
-	-	-	-	-	-	-	307,527	-
-	-	-	-	-	-	-	-	-
1,201	128,216	-	14,592	-	-	24,562	472,466	403,794
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	596	540	8,581
-	-	-	74,632	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,827,577	-	-
-	-	-	-	315,762	580,799	-	-	-
-	-	-	-	-	-	-	6,099,888	-
-	-	-	-	-	-	-	-	-
-	11,682,587	-	-	-	-	-	-	-
44,362	-	264,754	-	-	-	-	-	-
-	-	-	-	-	-	-	-	3,884,311
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
44,362	11,682,587	264,754	74,632	315,762	580,799	2,828,173	6,100,428	3,892,892
<u>\$ 45,563</u>	<u>\$ 11,810,803</u>	<u>\$ 264,754</u>	<u>\$ 89,224</u>	<u>\$ 315,762</u>	<u>\$ 580,799</u>	<u>\$ 2,852,735</u>	<u>\$ 6,572,894</u>	<u>\$ 4,296,686</u>

(Continued)

MARION COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2018

	Parks and Recreation Fees Fund	Local Housing Assistance Trust	Medical Examiner	Impact Fee Ordinance Trust Fund - District 1	Impact Fee Ordinance Trust Fund - District 2	Impact Fee Ordinance Trust Fund - District 3
ASSETS						
Cash and Cash Equivalents	\$ 2,518,054	\$ 2,815,377	\$ 461,398	\$ 110,219	\$ 9,416	\$ 425,631
Investments	-	-	-	-	-	-
Accounts Receivable	6,531	1,038,976	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-
Special Assessments Receivable	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	1,397	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid Items	-	-	5,177	-	-	-
Total Assets	\$ 2,525,982	\$ 3,854,353	\$ 466,575	\$ 110,219	\$ 9,416	\$ 425,631
LIABILITIES						
Accounts Payable	\$ 95,452	\$ 111,626	\$ 3,887	\$ -	\$ -	\$ -
Contracts Payable	7,211	-	-	-	-	-
Accrued Liabilities	19,062	5,212	-	-	-	-
Due to Other Funds	2,850	10	-	-	-	-
Due to Other Governments	8,554	6	4,514	-	-	-
Deposits	13,820	14,327	-	-	-	-
Unearned Revenues	9,619	-	-	-	-	-
Advanced Grants	-	-	-	-	-	-
Total Liabilities	156,568	131,181	8,401	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Deferred Assessments	-	-	-	-	-	-
Unavailable Grant Revenues	-	1,038,976	-	-	-	-
Total Deferred Inflows of Resources	-	1,038,976	-	-	-	-
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	-
Prepaid Items	-	-	5,177	-	-	-
Restricted for:						
Court Innovations	-	-	-	-	-	-
Records Modernization Tech	-	-	-	-	-	-
Fire and Rescue	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Public Safety	-	-	452,997	-	-	-
Resource Conservation	-	-	-	-	-	-
Road Construction	-	-	-	110,219	9,416	425,631
Social Services	-	2,684,196	-	-	-	-
Tourism	-	-	-	-	-	-
Transportation Maintenance	-	-	-	-	-	-
Committed to:						
Airport	-	-	-	-	-	-
Parks & Recreation	2,369,414	-	-	-	-	-
Total Fund Balances	2,369,414	2,684,196	458,174	110,219	9,416	425,631
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,525,982	\$ 3,854,353	\$ 466,575	\$ 110,219	\$ 9,416	\$ 425,631

Impact Fee Ordinance Trust Fund - District 4	Impact Fee Trust Fund - East District	Impact Fee Trust Fund - West District	Rainbow Lakes Estates MSD	Rainbow Lakes Estates Fire Protection MSBU	Marion Oaks MSTU	MSTU/MSBU for Road Improvements	Silver Springs Shores MSTU	MSTU/MSBU for Recreation
\$ 860,229	\$ 1,813,347	\$ 1,566,338	\$ 1,087,605	\$ 506,291	\$ 1,087,829	\$ 7,729,127	\$ 547,453	\$ 118,667
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	163	-	322	-	450	49
-	48,530	45,466	795	980	390	17,172	6	98
-	-	-	-	-	-	-	-	-
-	-	-	367	357	23	-	262	-
<u>\$ 860,229</u>	<u>\$ 1,861,877</u>	<u>\$ 1,611,804</u>	<u>\$ 1,088,930</u>	<u>\$ 507,628</u>	<u>\$ 1,088,564</u>	<u>\$ 7,746,299</u>	<u>\$ 548,171</u>	<u>\$ 118,814</u>
\$ 3,731	\$ -	\$ -	\$ 5,357	\$ 2,427	\$ 11,505	\$ 55,418	\$ 5,446	\$ 5,702
-	-	-	-	-	-	2,550	-	-
-	-	-	8,220	-	13,365	-	10,087	-
-	-	-	-	-	-	-	-	-
-	9,016	-	-	-	273	-	98	-
-	-	-	4,124	-	9,597	-	5,725	400
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>3,731</u>	<u>9,016</u>	<u>-</u>	<u>17,701</u>	<u>2,427</u>	<u>34,740</u>	<u>57,968</u>	<u>21,356</u>	<u>6,102</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	367	357	23	-	262	-
-	-	-	-	-	-	-	-	-
-	-	-	-	504,844	-	-	-	-
-	-	-	-	-	1,053,801	-	526,553	112,712
-	-	-	-	-	-	-	-	-
856,498	1,852,861	1,611,804	-	-	-	7,688,331	-	-
-	-	-	-	-	-	-	-	-
-	-	-	1,070,862	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>856,498</u>	<u>1,852,861</u>	<u>1,611,804</u>	<u>1,071,229</u>	<u>505,201</u>	<u>1,053,824</u>	<u>7,688,331</u>	<u>526,815</u>	<u>112,712</u>
<u>\$ 860,229</u>	<u>\$ 1,861,877</u>	<u>\$ 1,611,804</u>	<u>\$ 1,088,930</u>	<u>\$ 507,628</u>	<u>\$ 1,088,564</u>	<u>\$ 7,746,299</u>	<u>\$ 548,171</u>	<u>\$ 118,814</u>

(Continued)

MARION COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
September 30, 2018

	MSTU for Street Lighting	Fire Rescue Impact Fees	Stormwater Program	MSTU/MSBU for General Services	Clerk of the Circuit Court Trust Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and Cash Equivalents	\$ 1,501,122	\$ 246,841	\$ 2,929,331	\$ 100,962	\$ 1,420,852	\$ 76,729,315
Investments	-	-	9,490,194	-	-	24,414,917
Accounts Receivable	-	-	-	-	-	1,096,639
Accrued Interest Receivable	-	-	36,520	-	-	97,644
Special Assessments Receivable	-	-	-	-	-	91,765
Due from Other Funds	-	-	-	-	-	416,349
Due from Other Governments	2,858	-	52,854	85	-	3,790,812
Inventories	-	-	-	-	-	1,305,736
Prepaid Items	-	-	2,000	-	259,353	277,676
Total Assets	\$ 1,503,980	\$ 246,841	\$ 12,510,899	\$ 101,047	\$ 1,680,205	\$ 108,220,853
LIABILITIES						
Accounts Payable	\$ 17,743	\$ -	\$ 178,484	\$ 336	\$ 1,536	\$ 1,518,391
Contracts Payable	-	-	115,985	-	-	130,480
Accrued Liabilities	11,908	-	21,401	-	11,560	444,651
Due to Other Funds	-	-	-	-	-	3,040
Due to Other Governments	407	-	1,020	726	-	146,497
Deposits	-	-	-	-	-	819,415
Unearned Revenues	-	-	-	-	-	9,619
Advanced Grants	-	-	44,690	-	-	60,118
Total Liabilities	30,058	-	361,580	1,062	13,096	3,132,211
DEFERRED INFLOWS OF RESOURCES						
Deferred Assessments	-	-	-	-	-	91,765
Unavailable Grant Revenues	-	-	-	-	-	1,038,976
Total Deferred Inflows of Resources	-	-	-	-	-	1,130,741
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	1,305,736
Prepaid Items	-	-	2,000	-	259,353	277,676
Restricted for:						
Court Innovations	-	-	-	-	-	74,632
Records Modernization Tech	-	-	-	-	1,407,756	1,407,756
Fire and Rescue	-	246,841	-	-	-	3,579,262
Law Enforcement	-	-	-	-	-	4,003,980
Parks and Recreation	-	-	-	-	-	1,693,066
Public Safety	-	-	-	-	-	6,552,885
Resource Conservation	-	-	12,147,319	-	-	12,147,319
Road Construction	-	-	-	-	-	35,547,820
Social Services	-	-	-	-	-	2,993,312
Tourism	-	-	-	-	-	3,884,311
Transportation Maintenance	1,473,922	-	-	99,985	-	27,796,455
Committed to:						
Airport	-	-	-	-	-	324,277
Parks & Recreation	-	-	-	-	-	2,369,414
Total Fund Balances	1,473,922	246,841	12,149,319	99,985	1,667,109	103,957,901
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,503,980	\$ 246,841	\$ 12,510,899	\$ 101,047	\$ 1,680,205	\$ 108,220,853



MARION COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2018

	Fines and Forfeitures	80% Gas Tax Construction	20% Gas Tax Construction	County Transportation Maintenance Fund	Sidewalk Construction
REVENUES					
Taxes	\$ 8,482,950	\$ 3,831,232	\$ 957,808	\$ 14,540,698	\$ -
Special Assessments	-	-	-	120,222	-
Impact Fees	-	-	-	-	-
Permits and Fees	-	-	-	170,084	57,224
Intergovernmental Revenues	59,412	-	-	4,184,259	-
Charges for Services	235,580	-	-	456,832	-
Judgments and Fines	431,525	-	-	-	-
Court-Related Revenues	114,601	-	-	-	-
Investment Income	94,480	182,368	41,480	192,724	4,256
Miscellaneous Revenues	15,965	-	-	128,437	-
Total Revenues	9,434,513	4,013,600	999,288	19,793,256	61,480
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	196,769	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	1,021,907	312,993	16,316,683	-
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Court-Related	520,925	-	-	-	-
Total Expenditures	717,694	1,021,907	312,993	16,316,683	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,716,819	2,991,693	686,295	3,476,573	61,480
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	164,215	-
Transfers (Out)	(8,633,420)	-	-	(10,847)	-
Total Other Financing Sources (Uses)	(8,633,420)	-	-	153,368	-
Net Change in Fund Balances	83,399	2,991,693	686,295	3,629,941	61,480
Fund Balances - Beginning	3,024,350	8,318,780	3,057,508	18,820,726	188,587
Fund Balances - Ending	\$ 3,107,749	\$ 11,310,473	\$ 3,743,803	\$ 22,450,667	\$ 250,067

Dunnellon Airport	Alcohol and Drug Abuse Trust Fund	2nd Local Option Fuel Tax	Marion County Health Department	Criminal Justice Court Costs	Law Enforcement Trust Fund	Sheriff's Educational	911 Management Fund
\$ -	\$ -	\$ 2,568,012	\$ 1,920,633	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
747,276	-	-	-	-	-	-	1,316,193
-	-	-	-	-	87,808	-	-
-	17,059	-	-	295,020	-	63,206	-
5,896	1,195	171,436	13,138	740	9,648	10,141	50,817
927	-	-	7,269	-	-	-	116
<u>754,099</u>	<u>18,254</u>	<u>2,739,448</u>	<u>1,941,040</u>	<u>295,760</u>	<u>97,456</u>	<u>73,347</u>	<u>1,367,126</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,514,985
-	-	-	-	-	-	-	-
826,530	-	626,461	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	1,806,965	73,942	-	-	-
-	-	-	-	-	-	-	-
-	50,422	-	-	167,282	-	-	-
<u>826,530</u>	<u>50,422</u>	<u>626,461</u>	<u>1,806,965</u>	<u>241,224</u>	<u>-</u>	<u>-</u>	<u>1,514,985</u>
<u>(72,431)</u>	<u>(32,168)</u>	<u>2,112,987</u>	<u>134,075</u>	<u>54,536</u>	<u>97,456</u>	<u>73,347</u>	<u>(147,859)</u>
37,399	-	-	-	-	-	-	-
-	-	-	-	-	(237,145)	-	-
<u>37,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(237,145)</u>	<u>-</u>	<u>-</u>
(35,032)	(32,168)	2,112,987	134,075	54,536	(139,689)	73,347	(147,859)
<u>372,284</u>	<u>76,530</u>	<u>9,569,600</u>	<u>130,679</u>	<u>20,096</u>	<u>455,451</u>	<u>507,452</u>	<u>2,976,032</u>
<u>\$ 337,252</u>	<u>\$ 44,362</u>	<u>\$ 11,682,587</u>	<u>\$ 264,754</u>	<u>\$ 74,632</u>	<u>\$ 315,762</u>	<u>\$ 580,799</u>	<u>\$ 2,828,173</u>

(Continued)

MARION COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2018

	Building Department Fund	Tourist Development Fund	Parks and Recreation Fees Fund	Local Housing Assistance Trust	Medical Examiner
REVENUES					
Taxes	\$ 45,220	\$ 3,061,863	\$ -	\$ -	\$ -
Special Assessments	-	-	-	-	-
Impact Fees	-	-	-	-	-
Permits and Fees	4,967,603	-	-	-	-
Intergovernmental Revenues	-	-	-	1,579,214	1,950,698
Charges for Services	-	-	1,413,994	-	599,865
Judgments and Fines	-	-	-	-	-
Court-Related Revenues	-	-	30	-	-
Investment Income	102,942	67,264	50,811	60,692	7,969
Miscellaneous Revenues	16,056	53,639	382	913,029	-
Total Revenues	<u>5,131,821</u>	<u>3,182,766</u>	<u>1,465,217</u>	<u>2,552,935</u>	<u>2,558,532</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	4,123,187	-	-	-	3,510,442
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	1,970,863	-	2,998,560	-
Human Services	-	-	-	-	-
Culture/Recreation	-	-	2,272,845	-	-
Court-Related	-	-	-	-	-
Total Expenditures	<u>4,123,187</u>	<u>1,970,863</u>	<u>2,272,845</u>	<u>2,998,560</u>	<u>3,510,442</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,008,634</u>	<u>1,211,903</u>	<u>(807,628)</u>	<u>(445,625)</u>	<u>(951,910)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	886,805
Transfers (Out)	(1,924)	(1,276)	(5,949)	(760)	-
Total Other Financing Sources (Uses)	<u>(1,924)</u>	<u>(1,276)</u>	<u>(5,949)</u>	<u>(760)</u>	<u>886,805</u>
Net Change in Fund Balances	1,006,710	1,210,627	(813,577)	(446,385)	(65,105)
Fund Balances - Beginning	<u>5,093,718</u>	<u>2,682,265</u>	<u>3,182,991</u>	<u>3,130,581</u>	<u>523,279</u>
Fund Balances - Ending	<u>\$ 6,100,428</u>	<u>\$ 3,892,892</u>	<u>\$ 2,369,414</u>	<u>\$ 2,684,196</u>	<u>\$ 458,174</u>

Impact Fee Ordinance Trust Fund - District 1	Impact Fee Ordinance Trust Fund - District 2	Impact Fee Ordinance Trust Fund - District 3	Impact Fee Ordinance Trust Fund - District 4	Impact Fee Trust Fund - East District	Impact Fee Trust Fund - West District	Rainbow Lakes Estates MSD	Rainbow Lakes Estates Fire Protection MSBU
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,746	\$ -
-	-	-	-	-	-	-	183,771
-	-	2,862	-	1,782,536	1,376,368	148,106	-
-	-	-	-	-	-	65	-
-	-	-	-	-	-	-	-
2,037	208	7,906	17,079	18,735	15,748	20,773	9,446
-	-	-	-	-	-	12,427	827
<u>2,037</u>	<u>208</u>	<u>10,768</u>	<u>17,079</u>	<u>1,801,271</u>	<u>1,392,116</u>	<u>414,117</u>	<u>194,044</u>
-	-	-	-	-	-	189,659	-
-	-	-	-	-	-	-	84,612
-	5,384	31,500	137,281	257,909	-	216,490	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>5,384</u>	<u>31,500</u>	<u>137,281</u>	<u>257,909</u>	<u>-</u>	<u>406,149</u>	<u>84,612</u>
<u>2,037</u>	<u>(5,176)</u>	<u>(20,732)</u>	<u>(120,202)</u>	<u>1,543,362</u>	<u>1,392,116</u>	<u>7,968</u>	<u>109,432</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,037	(5,176)	(20,732)	(120,202)	1,543,362	1,392,116	7,968	109,432
108,182	14,592	446,363	976,700	309,499	219,688	1,063,261	395,769
<u>\$ 110,219</u>	<u>\$ 9,416</u>	<u>\$ 425,631</u>	<u>\$ 856,498</u>	<u>\$ 1,852,861</u>	<u>\$ 1,611,804</u>	<u>\$ 1,071,229</u>	<u>\$ 505,201</u>

(Continued)

MARION COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended September 30, 2018

	Marion Oaks MSTU	MSTU/MSBU for Road Improvements	Silver Springs Shores MSTU	MSTU/MSBU for Recreation	MSTU for Street Lighting
REVENUES					
Taxes	\$ 439,514	\$ -	\$ 596,799	\$ 65,563	\$ -
Special Assessments	-	3,810,371	-	-	920,678
Impact Fees	-	-	-	-	-
Permits and Fees	-	-	-	-	-
Intergovernmental Revenues	-	-	-	-	-
Charges for Services	14	-	19	1	-
Judgments and Fines	-	-	-	-	-
Court-Related Revenues	-	-	-	-	-
Investment Income	23,753	146,841	12,105	2,649	29,544
Miscellaneous Revenues	71,472	-	23,270	3,150	360
Total Revenues	534,753	3,957,212	632,193	71,363	950,582
EXPENDITURES					
Current:					
General Government	728,075	-	-	-	-
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	2,722,777	38,598	-	792,871
Economic Environment	-	-	-	-	-
Human Services	-	-	-	-	-
Culture/Recreation	-	-	538,998	77,953	-
Court-Related	-	-	-	-	-
Total Expenditures	728,075	2,722,777	577,596	77,953	792,871
Excess (Deficiency) of Revenues Over (Under) Expenditures	(193,322)	1,234,435	54,597	(6,590)	157,711
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	-	(123,413)	-	-	-
Total Other Financing Sources (Uses)	-	(123,413)	-	-	-
Net Change in Fund Balances	(193,322)	1,111,022	54,597	(6,590)	157,711
Fund Balances - Beginning	1,247,146	6,577,309	472,218	119,302	1,316,211
Fund Balances - Ending	\$ 1,053,824	\$ 7,688,331	\$ 526,815	\$ 112,712	\$ 1,473,922

Fire Rescue Impact Fees	Stormwater Program	MSTU/MSBU for General Services	Clerk of the Circuit Court Trust Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 36,743,038
-	3,665,246	43,161	-	8,743,449
287	-	-	-	3,162,053
-	-	-	-	5,343,017
-	190,111	-	-	7,963,694
-	7,052	-	792,032	5,568,923
-	-	-	-	519,333
-	-	-	-	489,916
4,560	113,024	1,814	13,019	1,507,238
-	1,314	10,000	-	1,258,640
<u>4,847</u>	<u>3,976,747</u>	<u>54,975</u>	<u>805,051</u>	<u>71,299,301</u>
-	-	31,763	97,294	1,046,791
-	-	-	-	9,429,995
-	4,379,231	-	-	4,379,231
-	-	-	-	23,307,384
-	-	-	-	4,969,423
-	-	-	-	1,880,907
-	-	-	-	2,889,796
-	-	-	659,667	1,398,296
-	<u>4,379,231</u>	<u>31,763</u>	<u>756,961</u>	<u>49,301,823</u>
<u>4,847</u>	<u>(402,484)</u>	<u>23,212</u>	<u>48,090</u>	<u>21,997,478</u>
-	-	-	-	1,088,419
-	<u>(1,377)</u>	-	-	<u>(9,016,111)</u>
-	<u>(1,377)</u>	-	-	<u>(7,927,692)</u>
4,847	(403,861)	23,212	48,090	14,069,786
<u>241,994</u>	<u>12,553,180</u>	<u>76,773</u>	<u>1,619,019</u>	<u>89,888,115</u>
<u>\$ 246,841</u>	<u>\$ 12,149,319</u>	<u>\$ 99,985</u>	<u>\$ 1,667,109</u>	<u>\$ 103,957,901</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FINES AND FORFEITURES FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 8,401,668	\$ 8,482,950	\$ 81,282
Intergovernmental Revenues	59,577	59,412	(165)
Charges for Services	218,500	235,580	17,080
Judgments and Fines	419,900	431,525	11,625
Court-Related Revenues	111,150	114,601	3,451
Investment Income	20,900	94,480	73,580
Miscellaneous Revenues	15,687	15,965	278
Total Revenues	<u>9,247,382</u>	<u>9,434,513</u>	<u>187,131</u>
EXPENDITURES			
Current:			
Public Safety			
Fine and Forfeiture Crime Prevention	909,314	196,769	712,545
Court-Related			
Fines & Forfeitures	2,232,489	520,925	1,711,564
Total Expenditures	<u>3,141,803</u>	<u>717,694</u>	<u>2,424,109</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,105,579</u>	<u>8,716,819</u>	<u>2,611,240</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(9,013,073)	(8,633,420)	379,653
Total Other Financing Sources and (Uses)	<u>(9,013,073)</u>	<u>(8,633,420)</u>	<u>379,653</u>
Net Change in Fund Balance	(2,907,494)	83,399	2,990,893
Fund Balance - Beginning	<u>2,907,494</u>	<u>3,024,350</u>	<u>116,856</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,107,749</u>	<u>\$ 3,107,749</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
80% GAS TAX CONSTRUCTION FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 3,532,619	\$ 3,831,232	\$ 298,613
Investment Income	10,450	182,368	171,918
Total Revenues	<u>3,543,069</u>	<u>4,013,600</u>	<u>470,531</u>
EXPENDITURES			
Current:			
Transportation	11,460,273	1,021,907	10,438,366
Total Expenditures	<u>11,460,273</u>	<u>1,021,907</u>	<u>10,438,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,917,204)</u>	<u>2,991,693</u>	<u>10,908,897</u>
Net Change in Fund Balance	(7,917,204)	2,991,693	10,908,897
Fund Balance - Beginning	<u>7,917,204</u>	<u>8,318,780</u>	<u>401,576</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 11,310,473</u>	<u>\$ 11,310,473</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
20% GAS TAX CONSTRUCTION FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 883,154	\$ 957,808	\$ 74,654
Investment Income	3,800	41,480	37,680
Total Revenues	<u>886,954</u>	<u>999,288</u>	<u>112,334</u>
EXPENDITURES			
Current:			
Transportation	2,087,396	312,993	1,774,403
Total Expenditures	<u>2,087,396</u>	<u>312,993</u>	<u>1,774,403</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,200,442)</u>	<u>686,295</u>	<u>1,886,737</u>
Net Change in Fund Balance	(1,200,442)	686,295	1,886,737
Fund Balance - Beginning	<u>1,200,442</u>	<u>3,057,508</u>	<u>1,857,066</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,743,803</u>	<u>\$ 3,743,803</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
COUNTY TRANSPORTATION MAINTENANCE FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 13,646,492	\$ 14,540,698	\$ 894,206
Special Assessments	-	120,222	120,222
Permits and Fees	95,000	170,084	75,084
Intergovernmental Revenues	7,379,800	4,184,259	(3,195,541)
Charges for Services	285,475	456,832	171,357
Investment Income	66,500	192,724	126,224
Miscellaneous Revenues	152,190	128,437	(23,753)
Total Revenues	<u>21,625,457</u>	<u>19,793,256</u>	<u>(1,832,201)</u>
EXPENDITURES			
Current:			
Transportation	56,223,140	16,316,683	39,906,457
Total Expenditures	<u>56,223,140</u>	<u>16,316,683</u>	<u>39,906,457</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,597,683)</u>	<u>3,476,573</u>	<u>38,074,256</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	164,216	164,215	(1)
Transfers (Out)	(10,847)	(10,847)	-
Issuance of Notes/Bonds Payable	17,226,217	-	(17,226,217)
Total Other Financing Sources and (Uses)	<u>17,379,586</u>	<u>153,368</u>	<u>(17,226,218)</u>
Net Change in Fund Balance	(17,218,097)	3,629,941	20,848,038
Fund Balance - Beginning	<u>17,218,097</u>	<u>18,820,726</u>	<u>1,602,629</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 22,450,667</u>	<u>\$ 22,450,667</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SIDEWALK CONSTRUCTION
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Permits and Fees	\$ 87,400	\$ 57,224	\$ (30,176)
Investment Income	1,140	4,256	3,116
Total Revenues	<u>88,540</u>	<u>61,480</u>	<u>(27,060)</u>
EXPENDITURES			
Current:			
Transportation	290,128	-	290,128
Total Expenditures	<u>290,128</u>	<u>-</u>	<u>290,128</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(201,588)</u>	<u>61,480</u>	<u>263,068</u>
Net Change in Fund Balance	(201,588)	61,480	263,068
Fund Balance - Beginning	<u>201,588</u>	<u>188,587</u>	<u>(13,001)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 250,067</u>	<u>\$ 250,067</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DUNNELLON AIRPORT FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental Revenues	\$ 872,480	\$ -	\$ (872,480)
Charges for Services	726,384	747,276	20,892
Investment Income	380	5,896	5,516
Miscellaneous Revenues	-	927	927
Total Revenues	<u>1,599,244</u>	<u>754,099</u>	<u>(845,145)</u>
EXPENDITURES			
Current:			
Transportation	1,908,126	826,530	1,081,596
Total Expenditures	<u>1,908,126</u>	<u>826,530</u>	<u>1,081,596</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(308,882)</u>	<u>(72,431)</u>	<u>236,451</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	37,399	37,399	-
Total Other Financing Sources and (Uses)	<u>37,399</u>	<u>37,399</u>	<u>-</u>
Net Change in Fund Balance	(271,483)	(35,032)	236,451
Fund Balance - Beginning	<u>271,483</u>	<u>372,284</u>	<u>100,801</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 337,252</u>	<u>\$ 337,252</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
ALCOHOL AND DRUG ABUSE TRUST FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Court-Related Revenues	\$ 24,415	\$ 17,059	\$ (7,356)
Investment Income	304	1,195	891
Total Revenues	<u>24,719</u>	<u>18,254</u>	<u>(6,465)</u>
EXPENDITURES			
Current:			
Court-Related	105,587	50,422	55,165
Total Expenditures	<u>105,587</u>	<u>50,422</u>	<u>55,165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(80,868)</u>	<u>(32,168)</u>	<u>48,700</u>
Net Change in Fund Balance	(80,868)	(32,168)	48,700
Fund Balance - Beginning	<u>80,868</u>	<u>76,530</u>	<u>(4,338)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 44,362</u>	<u>\$ 44,362</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
2nd LOCAL OPTION FUEL TAX FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 2,164,607	\$ 2,568,012	\$ 403,405
Investment Income	13,300	171,436	158,136
Total Revenues	<u>2,177,907</u>	<u>2,739,448</u>	<u>561,541</u>
EXPENDITURES			
Current:			
Transportation	11,545,232	626,461	10,918,771
Total Expenditures	<u>11,545,232</u>	<u>626,461</u>	<u>10,918,771</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,367,325)</u>	<u>2,112,987</u>	<u>11,480,312</u>
Net Change in Fund Balance	<u>(9,367,325)</u>	<u>2,112,987</u>	<u>11,480,312</u>
Fund Balance - Beginning	<u>9,367,325</u>	<u>9,569,600</u>	<u>202,275</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 11,682,587</u>	<u>\$ 11,682,587</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MARION COUNTY HEALTH DEPARTMENT FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 1,902,265	\$ 1,920,633	\$ 18,368
Investment Income	2,280	13,138	10,858
Miscellaneous Revenues	-	7,269	7,269
Total Revenues	<u>1,904,545</u>	<u>1,941,040</u>	<u>36,495</u>
EXPENDITURES			
Current:			
Human Services	<u>2,024,130</u>	<u>1,806,965</u>	<u>217,165</u>
Total Expenditures	<u>2,024,130</u>	<u>1,806,965</u>	<u>217,165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(119,585)</u>	<u>134,075</u>	<u>253,660</u>
Net Change in Fund Balance	(119,585)	134,075	253,660
Fund Balance - Beginning	<u>119,585</u>	<u>130,679</u>	<u>11,094</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 264,754</u>	<u>\$ 264,754</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CRIMINAL JUSTICE COURT COSTS FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Court-Related Revenues	\$ 235,600	\$ 295,020	\$ 59,420
Investment Income	28	740	712
Total Revenues	<u>235,628</u>	<u>295,760</u>	<u>60,132</u>
EXPENDITURES			
Current:			
General Government	20,534	-	20,534
Human Services	62,000	73,942	(11,942)
Court-Related	175,633	167,282	8,351
Total Expenditures	<u>258,167</u>	<u>241,224</u>	<u>16,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,539)</u>	<u>54,536</u>	<u>77,075</u>
Net Change in Fund Balance	(22,539)	54,536	77,075
Fund Balance - Beginning	<u>22,539</u>	<u>20,096</u>	<u>(2,443)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 74,632</u>	<u>\$ 74,632</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Judgments and Fines	\$ -	\$ 87,808	\$ 87,808
Investment Income	1,710	9,648	7,938
Total Revenues	<u>1,710</u>	<u>97,456</u>	<u>95,746</u>
EXPENDITURES			
Current:			
General Government	131,341	-	131,341
Total Expenditures	<u>131,341</u>	<u>-</u>	<u>131,341</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(129,631)</u>	<u>97,456</u>	<u>227,087</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(249,199)	(237,145)	12,054
Total Other Financing Sources and (Uses)	<u>(249,199)</u>	<u>(237,145)</u>	<u>12,054</u>
Net Change in Fund Balance	(378,830)	(139,689)	239,141
Fund Balance - Beginning	<u>378,830</u>	<u>455,451</u>	<u>76,621</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 315,762</u>	<u>\$ 315,762</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SHERIFF'S EDUCATIONAL FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Court-Related Revenues	\$ 65,550	\$ 63,206	\$ (2,344)
Investment Income	1,805	10,141	8,336
Total Revenues	<u>67,355</u>	<u>73,347</u>	<u>5,992</u>
EXPENDITURES			
Current:			
Public Safety	509,404	-	509,404
Total Expenditures	<u>509,404</u>	<u>-</u>	<u>509,404</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(442,049)</u>	<u>73,347</u>	<u>515,396</u>
Net Change in Fund Balance	(442,049)	73,347	515,396
Fund Balance - Beginning	<u>442,049</u>	<u>507,452</u>	<u>65,403</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 580,799</u>	<u>\$ 580,799</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
911 MANAGEMENT FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Charges for Services	\$ 1,434,500	\$ 1,316,193	\$ (118,307)
Investment Income	16,150	50,817	34,667
Miscellaneous Revenues	-	116	116
Total Revenues	<u>1,450,650</u>	<u>1,367,126</u>	<u>(83,524)</u>
EXPENDITURES			
Current:			
Public Safety	<u>4,152,667</u>	<u>1,514,985</u>	<u>2,637,682</u>
Total Expenditures	<u>4,152,667</u>	<u>1,514,985</u>	<u>2,637,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,702,017)</u>	<u>(147,859)</u>	<u>2,554,158</u>
Net Change in Fund Balance	(2,702,017)	(147,859)	2,554,158
Fund Balance - Beginning	<u>2,702,017</u>	<u>2,976,032</u>	<u>274,015</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,828,173</u>	<u>\$ 2,828,173</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BUILDING DEPARTMENT FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 87,400	\$ 45,220	\$ (42,180)
Permits and Fees	3,515,000	4,967,603	1,452,603
Investment Income	23,750	102,942	79,192
Miscellaneous Revenues	4,845	16,056	11,211
Total Revenues	<u>3,630,995</u>	<u>5,131,821</u>	<u>1,500,826</u>
EXPENDITURES			
Current:			
Public Safety	8,406,806	4,123,187	4,283,619
Total Expenditures	<u>8,406,806</u>	<u>4,123,187</u>	<u>4,283,619</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,775,811)</u>	<u>1,008,634</u>	<u>5,784,445</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,924)	(1,924)	-
Total Other Financing Sources and (Uses)	<u>(1,924)</u>	<u>(1,924)</u>	<u>-</u>
Net Change in Fund Balance	(4,777,735)	1,006,710	5,784,445
Fund Balance - Beginning	<u>4,777,735</u>	<u>5,093,718</u>	<u>315,983</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 6,100,428</u>	<u>\$ 6,100,428</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
TOURIST DEVELOPMENT FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 2,642,644	\$ 3,061,863	\$ 419,219
Investment Income	6,650	67,264	60,614
Miscellaneous Revenues	-	53,639	53,639
Total Revenues	<u>2,649,294</u>	<u>3,182,766</u>	<u>533,472</u>
EXPENDITURES			
Current:			
Economic Environment	4,684,992	1,970,863	2,714,129
Total Expenditures	<u>4,684,992</u>	<u>1,970,863</u>	<u>2,714,129</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,035,698)</u>	<u>1,211,903</u>	<u>3,247,601</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,276)	(1,276)	-
Total Other Financing Sources and (Uses)	<u>(1,276)</u>	<u>(1,276)</u>	<u>-</u>
Net Change in Fund Balance	(2,036,974)	1,210,627	3,247,601
Fund Balance - Beginning	<u>2,036,974</u>	<u>2,682,265</u>	<u>645,291</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,892,892</u>	<u>\$ 3,892,892</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION FEES FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Charges for Services	\$ 1,368,000	\$ 1,413,994	\$ 45,994
Court-Related Revenues	-	30	30
Investment Income	6,650	50,811	44,161
Miscellaneous Revenues	-	382	382
Total Revenues	<u>1,374,650</u>	<u>1,465,217</u>	<u>90,567</u>
EXPENDITURES			
Current:			
Culture/Recreation	<u>3,988,012</u>	<u>2,272,845</u>	<u>1,715,167</u>
Total Expenditures	<u>3,988,012</u>	<u>2,272,845</u>	<u>1,715,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,613,362)</u>	<u>(807,628)</u>	<u>1,805,734</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	<u>(5,949)</u>	<u>(5,949)</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>(5,949)</u>	<u>(5,949)</u>	<u>-</u>
Net Change in Fund Balance	<u>(2,619,311)</u>	<u>(813,577)</u>	<u>1,805,734</u>
Fund Balance - Beginning	<u>2,619,311</u>	<u>3,182,991</u>	<u>563,680</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,369,414</u>	<u>\$ 2,369,414</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
LOCAL HOUSING ASSISTANCE TRUST FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental Revenues	\$ 958,662	\$ 1,579,214	\$ 620,552
Investment Income	33,882	60,692	26,810
Miscellaneous Revenues	379,458	913,029	533,571
Total Revenues	<u>1,372,002</u>	<u>2,552,935</u>	<u>1,180,933</u>
EXPENDITURES			
Current:			
Economic Environment	3,788,503	2,998,560	789,943
Total Expenditures	<u>3,788,503</u>	<u>2,998,560</u>	<u>789,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,416,501)</u>	<u>(445,625)</u>	<u>1,970,876</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(760)	(760)	-
Total Other Financing Sources and (Uses)	<u>(760)</u>	<u>(760)</u>	<u>-</u>
Net Change in Fund Balance	(2,417,261)	(446,385)	1,970,876
Fund Balance - Beginning	<u>2,417,261</u>	<u>3,130,581</u>	<u>713,320</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,684,196</u>	<u>\$ 2,684,196</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MEDICAL EXAMINER
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Intergovernmental Revenues	\$ 1,950,698	\$ 1,950,698	\$ -
Charges for Services	549,005	599,865	50,860
Investment Income	-	7,969	7,969
Total Revenues	<u>2,499,703</u>	<u>2,558,532</u>	<u>58,829</u>
EXPENDITURES			
Current:			
Public Safety	3,798,325	3,510,442	287,883
Total Expenditures	<u>3,798,325</u>	<u>3,510,442</u>	<u>287,883</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,298,622)</u>	<u>(951,910)</u>	<u>346,712</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	886,805	886,805	-
Total Other Financing Sources and (Uses)	<u>886,805</u>	<u>886,805</u>	<u>-</u>
Net Change in Fund Balance	(411,817)	(65,105)	346,712
Fund Balance - Beginning	<u>411,817</u>	<u>523,279</u>	<u>111,462</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 458,174</u>	<u>\$ 458,174</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
IMPACT FEE ORDINANCE TRUST DISTRICT 1
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ 2,037	\$ 2,037
Total Revenues	<u>-</u>	<u>2,037</u>	<u>2,037</u>
EXPENDITURES			
Current:			
Transportation			
Impact Fee Trust, District 1	108,181	-	108,181
Total Expenditures	<u>108,181</u>	<u>-</u>	<u>108,181</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(108,181)</u>	<u>2,037</u>	<u>110,218</u>
Net Change in Fund Balance	<u>(108,181)</u>	<u>2,037</u>	<u>110,218</u>
Fund Balance - Beginning	<u>108,181</u>	<u>108,182</u>	<u>1</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 110,219</u>	<u>\$ 110,219</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
IMPACT FEE ORDINANCE TRUST DISTRICT 2
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ 208	\$ 208
Total Revenues	<u>-</u>	<u>208</u>	<u>208</u>
EXPENDITURES			
Current:			
Transportation			
Impact Fee Trust, District 2	11,595	5,384	6,211
Total Expenditures	<u>11,595</u>	<u>5,384</u>	<u>6,211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,595)</u>	<u>(5,176)</u>	<u>6,419</u>
Net Change in Fund Balance	(11,595)	(5,176)	6,419
Fund Balance - Beginning	<u>11,595</u>	<u>14,592</u>	<u>2,997</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 9,416</u>	<u>\$ 9,416</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
IMPACT FEE ORDINANCE TRUST DISTRICT 3
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Impact Fees	\$ -	\$ 2,862	\$ 2,862
Investment Income	-	7,906	7,906
Total Revenues	<u>-</u>	<u>10,768</u>	<u>10,768</u>
EXPENDITURES			
Current:			
Transportation			
Impact Fee Trust, District 3	339,387	31,500	307,887
Total Expenditures	<u>339,387</u>	<u>31,500</u>	<u>307,887</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(339,387)</u>	<u>(20,732)</u>	<u>318,655</u>
Net Change in Fund Balance	(339,387)	(20,732)	318,655
Fund Balance - Beginning	339,387	446,363	106,976
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 425,631</u>	<u>\$ 425,631</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
IMPACT FEE ORDINANCE TRUST DISTRICT 4
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ 17,079	\$ 17,079
Total Revenues	<u>-</u>	<u>17,079</u>	<u>17,079</u>
EXPENDITURES			
Current:			
Transportation			
Impact Fee Trust, District 4	1,551,000	137,281	1,413,719
Total Expenditures	<u>1,551,000</u>	<u>137,281</u>	<u>1,413,719</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,551,000)</u>	<u>(120,202)</u>	<u>1,430,798</u>
Net Change in Fund Balance	(1,551,000)	(120,202)	1,430,798
Fund Balance - Beginning	1,551,000	976,700	(574,300)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 856,498</u>	<u>\$ 856,498</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
IMPACT FEE TRUST FUND - EAST DISTRICT
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Impact Fees	\$ 1,292,000	\$ 1,782,536	\$ 490,536
Investment Income	-	18,735	18,735
Total Revenues	<u>1,292,000</u>	<u>1,801,271</u>	<u>509,271</u>
EXPENDITURES			
Current:			
Transportation			
Impact Fee Trust, East District	1,527,000	257,909	1,269,091
Total Expenditures	<u>1,527,000</u>	<u>257,909</u>	<u>1,269,091</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(235,000)</u>	<u>1,543,362</u>	<u>1,778,362</u>
Net Change in Fund Balance	(235,000)	1,543,362	1,778,362
Fund Balance - Beginning	<u>235,000</u>	<u>309,499</u>	<u>74,499</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,852,861</u>	<u>\$ 1,852,861</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
IMPACT FEE TRUST FUND - WEST DISTRICT
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Impact Fees	\$ 1,586,500	\$ 1,376,368	\$ (210,132)
Investment Income	-	15,748	15,748
Total Revenues	<u>1,586,500</u>	<u>1,392,116</u>	<u>(194,384)</u>
EXPENDITURES			
Current:			
Transportation			
Impact Fee Trust, West District	1,744,500	-	1,744,500
Total Expenditures	<u>1,744,500</u>	<u>-</u>	<u>1,744,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(158,000)</u>	<u>1,392,116</u>	<u>1,550,116</u>
Net Change in Fund Balance	(158,000)	1,392,116	1,550,116
Fund Balance - Beginning	<u>158,000</u>	<u>219,688</u>	<u>61,688</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,611,804</u>	<u>\$ 1,611,804</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RAINBOW LAKES ESTATES MSD FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 228,218	\$ 232,746	\$ 4,528
Permits and Fees	140,600	148,106	7,506
Charges for Services	47	65	18
Investment Income	4,845	20,773	15,928
Miscellaneous Revenues	5,510	12,427	6,917
Total Revenues	<u>379,220</u>	<u>414,117</u>	<u>34,897</u>
EXPENDITURES			
Current:			
General Government	1,000,052	189,659	810,393
Transportation	358,632	216,490	142,142
Total Expenditures	<u>1,358,684</u>	<u>406,149</u>	<u>952,535</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(979,464)</u>	<u>7,968</u>	<u>987,432</u>
Net Change in Fund Balance	(979,464)	7,968	987,432
Fund Balance - Beginning	<u>979,464</u>	<u>1,063,261</u>	<u>83,797</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,071,229</u>	<u>\$ 1,071,229</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
RAINBOW LAKES ESTATES FIRE PROTECTION FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 179,878	\$ 183,771	\$ 3,893
Investment Income	1,453	9,446	7,993
Miscellaneous Revenues	-	827	827
Total Revenues	<u>181,331</u>	<u>194,044</u>	<u>12,713</u>
EXPENDITURES			
Current:			
Public Safety	<u>492,828</u>	<u>84,612</u>	<u>408,216</u>
Total Expenditures	<u>492,828</u>	<u>84,612</u>	<u>408,216</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(311,497)</u>	<u>109,432</u>	<u>420,929</u>
Net Change in Fund Balance	(311,497)	109,432	420,929
Fund Balance - Beginning	<u>311,497</u>	<u>395,769</u>	<u>84,272</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 505,201</u>	<u>\$ 505,201</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MARION OAKS MSTU FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 424,187	\$ 439,514	\$ 15,327
Charges for Services	-	14	14
Investment Income	7,685	23,753	16,068
Miscellaneous Revenues	66,500	71,472	4,972
Total Revenues	<u>498,372</u>	<u>534,753</u>	<u>36,381</u>
EXPENDITURES			
Current:			
General Government	1,540,868	728,075	812,793
Total Expenditures	<u>1,540,868</u>	<u>728,075</u>	<u>812,793</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,042,496)</u>	<u>(193,322)</u>	<u>849,174</u>
Net Change in Fund Balance	(1,042,496)	(193,322)	849,174
Fund Balance - Beginning	<u>1,042,496</u>	<u>1,247,146</u>	<u>204,650</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,053,824</u>	<u>\$ 1,053,824</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MSTU/MSBU FOR ROAD IMPROVEMENTS SPECIAL ASSESSMENT FUNDS
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 3,588,707	\$ 3,810,371	\$ 221,664
Investment Income	28,806	146,841	118,035
Total Revenues	<u>3,617,513</u>	<u>3,957,212</u>	<u>339,699</u>
EXPENDITURES			
Current:			
Transportation			
Rainbow Laks Estates MSTU	861,746	19,637	842,109
Silver Springs Shores MSTU	2,206,381	932,989	1,273,392
Lake Tropicana MSTU	223,105	3,361	219,744
Golden Hills MSTU	260,228	3,097	257,131
Kingsland -Waterway MSBU	831,889	47,965	783,924
Kingsland -Forrest Glenn MSBU	375,102	17,862	357,240
Silver Spring Acres MSBU	108,763	44,011	64,752
Ocala Water Way Estates MSBU	197,614	21,870	175,744
NW 17-Northwoods MSBU	8,611	5,514	3,097
Rainbow Park 1,2 MSBU	741,191	539,068	202,123
Pine Run Estates MSTU	141,516	43,909	97,607
Woods and Lakes MSTU	302,941	10,277	292,664
Marion Oaks Road Improvement	3,226,379	1,012,744	2,213,635
Paradise Farms Road Mowing	24,422	6,878	17,544
Stonecrest Center MSBU	37,094	6,891	30,203
Deer Path Estates 1,2 MSBU	21,780	6,704	15,076
Total Expenditures	<u>9,568,762</u>	<u>2,722,777</u>	<u>6,845,985</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,951,249)</u>	<u>1,234,435</u>	<u>7,185,684</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(123,413)	(123,413)	-
Total Other Financing Sources and (Uses)	<u>(123,413)</u>	<u>(123,413)</u>	<u>-</u>
Net Change in Fund Balance	(6,074,662)	1,111,022	7,185,684
Fund Balance - Beginning	<u>6,074,662</u>	<u>6,577,309</u>	<u>502,647</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 7,688,331</u>	<u>\$ 7,688,331</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SILVER SPRINGS SHORES MSTU
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 587,332	\$ 596,799	\$ 9,467
Charges for Services	-	19	19
Investment Income	3,230	12,105	8,875
Miscellaneous Revenues	17,100	23,270	6,170
Total Revenues	<u>607,662</u>	<u>632,193</u>	<u>24,531</u>
EXPENDITURES			
Current:			
Transportation	46,000	38,598	7,402
Culture/Recreation	1,024,714	538,998	485,716
Total Expenditures	<u>1,070,714</u>	<u>577,596</u>	<u>493,118</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(463,052)</u>	<u>54,597</u>	<u>517,649</u>
Net Change in Fund Balance	(463,052)	54,597	517,649
Fund Balance - Beginning	<u>463,052</u>	<u>472,218</u>	<u>9,166</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 526,815</u>	<u>\$ 526,815</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MSTU/MSBU FOR RECREATION SPECIAL ASSESSMENT FUNDS
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 64,479	\$ 65,563	\$ 1,084
Charges for Services	-	1	1
Investment Income	860	2,649	1,789
Miscellaneous Revenues	2,755	3,150	395
Total Revenues	<u>68,094</u>	<u>71,363</u>	<u>3,269</u>
EXPENDITURES			
Current:			
Recreation			
Rainbow Lakes Recreation Facility	123,344	56,775	66,569
Hills of Ocala for Recreation	39,834	21,178	18,656
Total Expenditures	<u>163,178</u>	<u>77,953</u>	<u>85,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(95,084)</u>	<u>(6,590)</u>	<u>88,494</u>
Net Change in Fund Balance	(95,084)	(6,590)	88,494
Fund Balance - Beginning	<u>95,084</u>	<u>119,302</u>	<u>24,218</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 112,712</u>	<u>\$ 112,712</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MSTU FOR STREET LIGHTING SPECIAL ASSESSMENT FUNDS
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 841,126	\$ 920,678	\$ 79,552
Investment Income	7,018	29,544	22,526
Miscellaneous Revenues	-	360	360
Total Revenues	<u>848,144</u>	<u>950,582</u>	<u>102,438</u>
EXPENDITURES			
Current:			
Transportation			
Indian Meadow MSTU	6,108	2,473	3,635
Ocala Heights MSTU	34,566	3,088	31,478
Bahia Oaks MSTU	25,134	12,832	12,302
Boardman MSTU	10,975	4,327	6,648
Doublegate MSTU	3,022	2,254	768
Hickory Hills MSTU	5,438	2,327	3,111
Raven Hills MSTU	9,896	2,156	7,740
Churchill Subdivision MSTU	8,122	2,092	6,030
Little Lake Weir MSTU	115,297	13,383	101,914
Rainbow's End MSTU	184,897	1,751	183,146
Marion Oaks MSTU	1,585,815	740,821	844,994
Citrus Park MSTU	13,825	4,262	9,563
Boulder Hill MSTU	7,784	1,105	6,679
Total Expenditures	<u>2,010,879</u>	<u>792,871</u>	<u>1,218,008</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,162,735)</u>	<u>157,711</u>	<u>1,320,446</u>
Net Change in Fund Balance	<u>(1,162,735)</u>	<u>157,711</u>	<u>1,320,446</u>
Fund Balance - Beginning	<u>1,162,735</u>	<u>1,316,211</u>	<u>153,476</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,473,922</u>	<u>\$ 1,473,922</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE RESCUE IMPACT FEES FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Impact Fees	\$ -	\$ 287	\$ 287
Investment Income	-	4,560	4,560
Total Revenues	<u>-</u>	<u>4,847</u>	<u>4,847</u>
EXPENDITURES			
Current:			
Public Safety	118,409	-	118,409
Total Expenditures	<u>118,409</u>	<u>-</u>	<u>118,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(118,409)</u>	<u>4,847</u>	<u>123,256</u>
Net Change in Fund Balance	(118,409)	4,847	123,256
Fund Balance - Beginning	<u>118,409</u>	<u>241,994</u>	<u>123,585</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 246,841</u>	<u>\$ 246,841</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
STORMWATER PROGRAM
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 3,531,843	\$ 3,665,246	\$ 133,403
Intergovernmental Revenues	947,742	190,111	(757,631)
Charges for Services	-	7,052	7,052
Investment Income	48,735	113,024	64,289
Miscellaneous Revenues	-	1,314	1,314
Total Revenues	<u>4,528,320</u>	<u>3,976,747</u>	<u>(551,573)</u>
EXPENDITURES			
Current:			
Physical Environment	12,828,563	4,379,231	8,449,332
Total Expenditures	<u>12,828,563</u>	<u>4,379,231</u>	<u>8,449,332</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,300,243)</u>	<u>(402,484)</u>	<u>7,897,759</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(1,377)	(1,377)	-
Total Other Financing Sources and (Uses)	<u>(1,377)</u>	<u>(1,377)</u>	<u>-</u>
Net Change in Fund Balance	(8,301,620)	(403,861)	7,897,759
Fund Balance - Beginning	<u>8,301,620</u>	<u>12,553,180</u>	<u>4,251,560</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 12,149,319</u>	<u>\$ 12,149,319</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
MSTU/MSBU FOR GENERAL SERVICES
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 42,667	\$ 43,161	\$ 494
Investment Income	293	1,814	1,521
Miscellaneous Revenues	-	10,000	10,000
Total Revenues	<u>42,960</u>	<u>54,975</u>	<u>12,015</u>
EXPENDITURES			
Current:			
General Government			
Tompkins and Georges Addition	14,123	9,565	4,558
Country Estates Buffington Addition	4,044	1,706	2,338
Wineberry MSTU	8,158	2,651	5,507
Golden Hills MSTU	71,581	14,731	56,850
Delcrest MSTU	11,119	1,314	9,805
Bellaire MSTU	7,925	1,796	6,129
Total Expenditures	<u>116,950</u>	<u>31,763</u>	<u>85,187</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,990)</u>	<u>23,212</u>	<u>97,202</u>
Net Change in Fund Balance	(73,990)	23,212	97,202
Fund Balance - Beginning	<u>73,990</u>	<u>76,773</u>	<u>2,783</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 99,985</u>	<u>\$ 99,985</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CLERK OF THE CIRCUIT COURT TRUST FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Charges for Services	\$ 734,000	\$ 792,032	\$ 58,032
Investment Income	4,400	13,019	8,619
Total Revenues	<u>738,400</u>	<u>805,051</u>	<u>66,651</u>
EXPENDITURES			
Current:			
General Government	234,809	97,294	137,515
Court-Related	1,163,013	659,667	503,346
Total Expenditures	<u>1,397,822</u>	<u>756,961</u>	<u>640,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(659,422)</u>	<u>48,090</u>	<u>707,512</u>
Net Change in Fund Balance	(659,422)	48,090	707,512
Fund Balance - Beginning	<u>659,422</u>	<u>1,619,019</u>	<u>959,597</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,667,109</u>	<u>\$ 1,667,109</u>



MARION COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
September 30, 2018

	Parks and Land Acquisition Debt Service	Infrastructure Surtax Debt Service	Public Improvement Transportation Debt Service	Special Assessment Bonds, Series 2007B
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ 2,803,257	\$ -
Special Assessments Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,803,257</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Assessments	\$ -	\$ -	\$ -	\$ -
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Debt Service Reserve	-	-	2,803,257	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>2,803,257</u>	<u>-</u>
Total Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,803,257</u>	<u>\$ -</u>

Special Assessment Bonds, Series 2008B	Special Assessment Bonds, Series 2009A	Special Assessment Bonds, Series 2010A	Special Assessment Bonds, Series 2011A	Special Assessment Bonds, Series 2012A	Special Assessment Bonds, Series 2013A
\$ 116,309	\$ 88,190	\$ 17,096	\$ 126,715	\$ 58,029	\$ 75,621
214,316	-	108,072	336,310	466,807	580,780
-	256	-	2,039	-	-
<u>\$ 330,625</u>	<u>\$ 88,446</u>	<u>\$ 125,168</u>	<u>\$ 465,064</u>	<u>\$ 524,836</u>	<u>\$ 656,401</u>
\$ 214,316	\$ -	\$ 108,072	\$ 336,310	\$ 466,807	\$ 580,780
214,316	-	108,072	336,310	466,807	580,780
116,309	88,446	17,096	128,754	58,029	75,621
116,309	88,446	17,096	128,754	58,029	75,621
<u>\$ 330,625</u>	<u>\$ 88,446</u>	<u>\$ 125,168</u>	<u>\$ 465,064</u>	<u>\$ 524,836</u>	<u>\$ 656,401</u>

(Continued)

MARION COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
September 30, 2018

	Special Assessment Bonds, Series 2014A	Special Assessment Bonds, Series 2015A	Special Assessment Bonds, Series 2016A	Special Assessment Bonds, Series 2017A
ASSETS				
Cash and Cash Equivalents	\$ 140,833	\$ 6,752	\$ 56,334	\$ -
Special Assessments Receivable	1,416,606	168,536	736,911	1,350,653
Due from Other Funds	-	-	7,115	-
Total Assets	<u>\$ 1,557,439</u>	<u>\$ 175,288</u>	<u>\$ 800,360</u>	<u>\$ 1,350,653</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Assessments	\$ 1,416,606	\$ 168,536	\$ 736,911	\$ 1,350,653
Total Deferred Inflows of Resources	<u>1,416,606</u>	<u>168,536</u>	<u>736,911</u>	<u>1,350,653</u>
FUND BALANCES				
Restricted for:				
Debt Service Reserve	140,833	6,752	63,449	-
Total Fund Balances	<u>140,833</u>	<u>6,752</u>	<u>63,449</u>	<u>-</u>
Total Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,557,439</u>	<u>\$ 175,288</u>	<u>\$ 800,360</u>	<u>\$ 1,350,653</u>

**Total
Nonmajor
Debt Service
Funds**

\$ 3,489,136
5,378,991
9,410
\$ 8,877,537

\$ 5,378,991
5,378,991

3,498,546
3,498,546

\$ 8,877,537

MARION COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
For the Year Ended September 30, 2018

	Parks and Land Acquisition Debt Service	Infrastructure Surtax Debt Service	Public Improvement Transportation Debt Service	Special Assessment Bonds, Series 2007B
REVENUES				
Taxes	\$ 510,864	\$ 1,200,000	\$ 3,864,819	\$ -
Special Assessments	-	-	-	86,702
Investment Income	11,058	-	54,454	1,488
Total Revenues	<u>521,922</u>	<u>1,200,000</u>	<u>3,919,273</u>	<u>88,190</u>
EXPENDITURES				
Debt Service				
Principal Retirement	740,000	1,033,530	2,785,000	93,994
Interest and Fiscal Charges	35,880	166,470	1,134,273	3,217
Total Expenditures	<u>775,880</u>	<u>1,200,000</u>	<u>3,919,273</u>	<u>97,211</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(253,958)</u>	<u>-</u>	<u>-</u>	<u>(9,021)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	(110,094)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,094)</u>
Net Change in Fund Balances	<u>(253,958)</u>	<u>-</u>	<u>-</u>	<u>(119,115)</u>
Fund Balances - Beginning	<u>253,958</u>	<u>-</u>	<u>2,803,257</u>	<u>119,115</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,803,257</u>	<u>\$ -</u>

Special Assessment Bonds, Series 2008B	Special Assessment Bonds, Series 2009A	Special Assessment Bonds, Series 2010A	Special Assessment Bonds, Series 2011A	Special Assessment Bonds, Series 2012A	Special Assessment Bonds, Series 2013A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
338,141	193,444	61,709	277,561	208,117	217,188
2,551	1,752	610	3,746	1,668	2,315
<u>340,692</u>	<u>195,196</u>	<u>62,319</u>	<u>281,307</u>	<u>209,785</u>	<u>219,503</u>
294,038	207,619	73,677	360,376	191,115	250,233
25,760	12,342	3,584	28,587	21,557	25,096
<u>319,798</u>	<u>219,961</u>	<u>77,261</u>	<u>388,963</u>	<u>212,672</u>	<u>275,329</u>
<u>20,894</u>	<u>(24,765)</u>	<u>(14,942)</u>	<u>(107,656)</u>	<u>(2,887)</u>	<u>(55,826)</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
20,894	(24,765)	(14,942)	(107,656)	(2,887)	(55,826)
95,415	113,211	32,038	236,410	60,916	131,447
<u>\$ 116,309</u>	<u>\$ 88,446</u>	<u>\$ 17,096</u>	<u>\$ 128,754</u>	<u>\$ 58,029</u>	<u>\$ 75,621</u>

(Continued)

MARION COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
For the Year Ended September 30, 2018

	Special Assessment Bonds, Series 2014A	Special Assessment Bonds, Series 2015A	Special Assessment Bonds, Series 2016A	Special Assessment Bonds, Series 2017A
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Special Assessments	382,992	37,656	132,126	269,033
Investment Income	3,450	146	1,772	-
Total Revenues	<u>386,442</u>	<u>37,802</u>	<u>133,898</u>	<u>269,033</u>
EXPENDITURES				
Debt Service				
Principal Retirement	328,397	27,202	166,248	245,516
Interest and Fiscal Charges	61,134	6,699	21,170	23,517
Total Expenditures	<u>389,531</u>	<u>33,901</u>	<u>187,418</u>	<u>269,033</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,089)</u>	<u>3,901</u>	<u>(53,520)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	91,215	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>91,215</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,089)</u>	<u>3,901</u>	<u>37,695</u>	<u>-</u>
Fund Balances - Beginning	<u>143,922</u>	<u>2,851</u>	<u>25,754</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 140,833</u>	<u>\$ 6,752</u>	<u>\$ 63,449</u>	<u>\$ -</u>

**Total
Nonmajor
Debt Service
Funds**

\$ 5,575,683
2,204,669
85,010
7,865,362

6,796,945
1,569,286
8,366,231

(500,869)

91,215
(110,094)

(18,879)

(519,748)

4,018,294

\$ 3,498,546

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PARKS AND LAND ACQUISITION DEBT SERVICE
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 634,088	\$ 510,864	\$ (123,224)
Investment Income	1,938	11,058	9,120
Total Revenues	<u>636,026</u>	<u>521,922</u>	<u>(114,104)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	740,000	740,000	-
Interest and Fiscal Charges	35,880	35,880	-
Miscellaneous	108,915	-	108,915
Total Expenditures	<u>884,795</u>	<u>775,880</u>	<u>108,915</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(248,769)</u>	<u>(253,958)</u>	<u>(5,189)</u>
Net Change in Fund Balance	(248,769)	(253,958)	(5,189)
Fund Balance - Beginning	<u>248,769</u>	<u>253,958</u>	<u>5,189</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
INFRASTRUCTURE SURTAX DEBT SERVICE
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 1,200,001	\$ 1,200,000	\$ (1)
Total Revenues	<u>1,200,001</u>	<u>1,200,000</u>	<u>(1)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	1,033,531	1,033,530	1
Interest and Fiscal Charges	166,470	166,470	-
Total Expenditures	<u>1,200,001</u>	<u>1,200,000</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PUBLIC IMPROVEMENT TRANSPORTATION DEBT SERVICE
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Taxes	\$ 3,919,566	\$ 3,864,819	\$ (54,747)
Investment Income	475	54,454	53,979
Total Revenues	<u>3,920,041</u>	<u>3,919,273</u>	<u>(768)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	2,785,000	2,785,000	-
Interest and Fiscal Charges	1,135,016	1,134,273	743
Miscellaneous	2,803,282	-	2,803,282
Total Expenditures	<u>6,723,298</u>	<u>3,919,273</u>	<u>2,804,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,803,257)</u>	<u>-</u>	<u>2,803,257</u>
Net Change in Fund Balance	(2,803,257)	-	2,803,257
Fund Balance - Beginning	<u>2,803,257</u>	<u>2,803,257</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 2,803,257</u>	<u>\$ 2,803,257</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2007B
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 85,851	\$ 86,702	\$ 851
Investment Income	2,342	1,488	(854)
Total Revenues	<u>88,193</u>	<u>88,190</u>	<u>(3)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	93,994	93,994	-
Interest and Fiscal Charges	3,218	3,217	1
Total Expenditures	<u>97,212</u>	<u>97,211</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,019)</u>	<u>(9,021)</u>	<u>(2)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(110,096)	(110,094)	2
Total Other Financing Sources and (Uses)	<u>(110,096)</u>	<u>(110,094)</u>	<u>2</u>
Net Change in Fund Balance	(119,115)	(119,115)	-
Fund Balance - Beginning	119,115	119,115	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2008B
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 338,142	\$ 338,141	\$ (1)
Investment Income	2,551	2,551	-
Total Revenues	<u>340,693</u>	<u>340,692</u>	<u>(1)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	410,344	294,038	116,306
Interest and Fiscal Charges	25,764	25,760	4
Total Expenditures	<u>436,108</u>	<u>319,798</u>	<u>116,310</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(95,415)</u>	<u>20,894</u>	<u>116,309</u>
Net Change in Fund Balance	(95,415)	20,894	116,309
Fund Balance - Beginning	95,415	95,415	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 116,309</u>	<u>\$ 116,309</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2009A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 193,444	\$ 193,444	\$ -
Investment Income	1,751	1,752	1
Total Revenues	<u>195,195</u>	<u>195,196</u>	<u>1</u>
EXPENDITURES			
Debt Service			
Principal Retirement	296,065	207,619	88,446
Interest and Fiscal Charges	12,342	12,342	-
Total Expenditures	<u>308,407</u>	<u>219,961</u>	<u>88,446</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(113,212)</u>	<u>(24,765)</u>	<u>88,447</u>
Net Change in Fund Balance	(113,212)	(24,765)	88,447
Fund Balance - Beginning	<u>113,212</u>	<u>113,211</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 88,446</u>	<u>\$ 88,446</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2010A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 61,709	\$ 61,709	\$ -
Investment Income	610	610	-
Total Revenues	<u>62,319</u>	<u>62,319</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	90,772	73,677	17,095
Interest and Fiscal Charges	3,585	3,584	1
Total Expenditures	<u>94,357</u>	<u>77,261</u>	<u>17,096</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(32,038)</u>	<u>(14,942)</u>	<u>17,096</u>
Net Change in Fund Balance	(32,038)	(14,942)	17,096
Fund Balance - Beginning	<u>32,038</u>	<u>32,038</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 17,096</u>	<u>\$ 17,096</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2011A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 277,572	\$ 277,561	\$ (11)
Investment Income	3,734	3,746	12
Total Revenues	<u>281,306</u>	<u>281,307</u>	<u>1</u>
EXPENDITURES			
Debt Service			
Principal Retirement	489,131	360,376	128,755
Interest and Fiscal Charges	28,585	28,587	(2)
Total Expenditures	<u>517,716</u>	<u>388,963</u>	<u>128,753</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(236,410)</u>	<u>(107,656)</u>	<u>128,754</u>
Net Change in Fund Balance	(236,410)	(107,656)	128,754
Fund Balance - Beginning	<u>236,410</u>	<u>236,410</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 128,754</u>	<u>\$ 128,754</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2012A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 208,127	\$ 208,117	\$ (10)
Investment Income	1,658	1,668	10
Total Revenues	<u>209,785</u>	<u>209,785</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	249,144	191,115	58,029
Interest and Fiscal Charges	21,558	21,557	1
Total Expenditures	<u>270,702</u>	<u>212,672</u>	<u>58,030</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,917)</u>	<u>(2,887)</u>	<u>58,030</u>
Net Change in Fund Balance	(60,917)	(2,887)	58,030
Fund Balance - Beginning	60,917	60,916	(1)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 58,029</u>	<u>\$ 58,029</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2013A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 217,200	\$ 217,188	\$ (12)
Investment Income	2,304	2,315	11
Total Revenues	<u>219,504</u>	<u>219,503</u>	<u>(1)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	325,854	250,233	75,621
Interest and Fiscal Charges	25,097	25,096	1
Total Expenditures	<u>350,951</u>	<u>275,329</u>	<u>75,622</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(131,447)</u>	<u>(55,826)</u>	<u>75,621</u>
Net Change in Fund Balance	(131,447)	(55,826)	75,621
Fund Balance - Beginning	131,447	131,447	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 75,621</u>	<u>\$ 75,621</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2014A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 383,016	\$ 382,992	\$ (24)
Investment Income	3,425	3,450	25
Total Revenues	<u>386,441</u>	<u>386,442</u>	<u>1</u>
EXPENDITURES			
Debt Service			
Principal Retirement	469,230	328,397	140,833
Interest and Fiscal Charges	61,134	61,134	-
Total Expenditures	<u>530,364</u>	<u>389,531</u>	<u>140,833</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(143,923)</u>	<u>(3,089)</u>	<u>140,834</u>
Net Change in Fund Balance	(143,923)	(3,089)	140,834
Fund Balance - Beginning	143,923	143,922	(1)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 140,833</u>	<u>\$ 140,833</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2015A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 26,772	\$ 37,656	\$ 10,884
Investment Income	71	146	75
Total Revenues	<u>26,843</u>	<u>37,802</u>	<u>10,959</u>
EXPENDITURES			
Debt Service			
Principal Retirement	27,202	27,202	-
Interest and Fiscal Charges	6,699	6,699	-
Total Expenditures	<u>33,901</u>	<u>33,901</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,058)</u>	<u>3,901</u>	<u>10,959</u>
Net Change in Fund Balance	(7,058)	3,901	10,959
Fund Balance - Beginning	<u>7,058</u>	<u>2,851</u>	<u>(4,207)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 6,752</u>	<u>\$ 6,752</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2016A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 132,131	\$ 132,126	\$ (5)
Investment Income	1,767	1,772	5
Total Revenues	<u>133,898</u>	<u>133,898</u>	<u>-</u>
EXPENDITURES			
Debt Service			
Principal Retirement	229,698	166,248	63,450
Interest and Fiscal Charges	21,170	21,170	-
Total Expenditures	<u>250,868</u>	<u>187,418</u>	<u>63,450</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(116,970)</u>	<u>(53,520)</u>	<u>63,450</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	91,216	91,215	(1)
Total Other Financing Sources and (Uses)	<u>91,216</u>	<u>91,215</u>	<u>(1)</u>
Net Change in Fund Balance	(25,754)	37,695	63,449
Fund Balance - Beginning	25,754	25,754	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 63,449</u>	<u>\$ 63,449</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2017A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Special Assessments	\$ 269,034	\$ 269,033	\$ (1)
Total Revenues	<u>269,034</u>	<u>269,033</u>	<u>(1)</u>
EXPENDITURES			
Debt Service			
Principal Retirement	245,517	245,516	1
Interest and Fiscal Charges	23,517	23,517	-
Total Expenditures	<u>269,034</u>	<u>269,033</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
September 30, 2018

	Parks Capital Projects Fund	CIP Capital Projects Fund	Surtax Capital Projects
ASSETS			
Cash and Cash Equivalents	\$ 282,677	\$ -	\$ 301,594
Total Assets	\$ 282,677	\$ -	\$ 301,594
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
FUND BALANCES			
Nonspendable:			
Restricted for:			
Infrastructure	-	-	296,099
Parks and Recreation	277,187	-	-
Road Construction	-	-	-
Assigned to:			
Infrastructure	-	-	5,495
Parks and Recreation	5,490	-	-
Road Construction	-	-	-
Total Fund Balances	282,677	-	301,594
Total Liabilities and Fund Balances	\$ 282,677	\$ -	\$ 301,594

Public Improvement Transportation Capital Projects	Special Assessment Bonds, Series 2015A	Special Assessment Bonds, Series 2016A	Special Assessment Bonds, Series 2017A	Special Assessment Bonds, Series 2019A	Total Nonmajor Capital Projects Funds
\$ 4,516,373	\$ -	\$ -	\$ 136,905	\$ 260	\$ 5,237,809
<u>\$ 4,516,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,905</u>	<u>\$ 260</u>	<u>\$ 5,237,809</u>
\$ 26,625	\$ -	\$ -	\$ 1,855	\$ 260	\$ 28,740
<u>26,625</u>	<u>-</u>	<u>-</u>	<u>1,855</u>	<u>260</u>	<u>28,740</u>
-	-	-	-	-	296,099
-	-	-	-	-	277,187
4,414,834	-	-	129,754	-	4,544,588
-	-	-	-	-	5,495
-	-	-	-	-	5,490
74,914	-	-	5,296	-	80,210
<u>4,489,748</u>	<u>-</u>	<u>-</u>	<u>135,050</u>	<u>-</u>	<u>5,209,069</u>
<u>\$ 4,516,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,905</u>	<u>\$ 260</u>	<u>\$ 5,237,809</u>

MARION COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
For the Year Ended September 30, 2018

	<u>Parks Capital Projects Fund</u>	<u>CIP Capital Projects Fund</u>	<u>Surtax Capital Projects</u>
REVENUES			
Investment Income	\$ 5,490	\$ -	\$ 5,495
Total Revenues	<u>5,490</u>	<u>-</u>	<u>5,495</u>
EXPENDITURES			
Current:			
Transportation	-	-	-
Debt Service			
Interest and Fiscal Charges	-	-	-
Capital Outlay	41,250	-	18,873
Total Expenditures	<u>41,250</u>	<u>-</u>	<u>18,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(35,760)</u>	<u>-</u>	<u>(13,378)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	-	(262)	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(262)</u>	<u>-</u>
Net Change in Fund Balances	(35,760)	(262)	(13,378)
Fund Balances - Beginning	<u>318,437</u>	<u>262</u>	<u>314,972</u>
Fund Balances - Ending	<u>\$ 282,677</u>	<u>\$ -</u>	<u>\$ 301,594</u>

Public Improvement Transportation Capital Projects	Special Assessment Bonds, Series 2015A	Special Assessment Bonds, Series 2016A	Special Assessment Bonds, Series 2017A	Special Assessment Bonds, Series 2019A	Total Nonmajor Capital Projects Funds
\$ 74,914	\$ -	\$ 245	\$ 5,296	\$ -	\$ 91,440
<u>74,914</u>	<u>-</u>	<u>245</u>	<u>5,296</u>	<u>-</u>	<u>91,440</u>
-	-	22,726	-	-	22,726
-	-	-	5,326	-	5,326
33,261	-	-	344,975	-	438,359
<u>33,261</u>	<u>-</u>	<u>22,726</u>	<u>350,301</u>	<u>-</u>	<u>466,411</u>
41,653	-	(22,481)	(345,005)	-	(374,971)
-	(14,315)	(91,215)	-	-	(105,792)
-	(14,315)	(91,215)	-	-	(105,792)
41,653	(14,315)	(113,696)	(345,005)	-	(480,763)
4,448,095	14,315	113,696	480,055	-	5,689,832
<u>\$ 4,489,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,050</u>	<u>\$ -</u>	<u>\$ 5,209,069</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PARKS CAPITAL PROJECTS FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ 5,490	\$ 5,490
Total Revenues	<u>-</u>	<u>5,490</u>	<u>5,490</u>
EXPENDITURES			
Capital Outlay	293,374	41,250	252,124
Total Expenditures	<u>293,374</u>	<u>41,250</u>	<u>252,124</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(293,374)</u>	<u>(35,760)</u>	<u>257,614</u>
Net Change in Fund Balance	(293,374)	(35,760)	257,614
Fund Balance - Beginning	<u>293,374</u>	<u>318,437</u>	<u>25,063</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 282,677</u>	<u>\$ 282,677</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CIP CAPITAL PROJECTS FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Miscellaneous Revenues	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(262)	(262)	-
Total Other Financing Sources (Uses)	<u>(262)</u>	<u>(262)</u>	<u>-</u>
Net Change in Fund Balance	(262)	(262)	-
Fund Balance - Beginning	<u>262</u>	<u>262</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SURTAX CAPITAL PROJECTS FUND
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ 5,495	\$ 5,495
Total Revenues	<u>-</u>	<u>5,495</u>	<u>5,495</u>
EXPENDITURES			
Capital Outlay	78,873	18,873	60,000
Total Expenditures	<u>78,873</u>	<u>18,873</u>	<u>60,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(78,873)</u>	<u>(13,378)</u>	<u>65,495</u>
Net Change in Fund Balance	(78,873)	(13,378)	65,495
Fund Balance - Beginning	<u>78,873</u>	<u>314,972</u>	<u>236,099</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 301,594</u>	<u>\$ 301,594</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PUBLIC IMPROVEMENT TRANSPORTATION CAPITAL PROJECTS
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ 74,914	\$ 74,914
Total Revenues	<u>-</u>	<u>74,914</u>	<u>74,914</u>
EXPENDITURES			
Capital Outlay	909,258	33,261	875,997
Total Expenditures	<u>909,258</u>	<u>33,261</u>	<u>875,997</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(909,258)</u>	<u>41,653</u>	<u>950,911</u>
Net Change in Fund Balance	(909,258)	41,653	950,911
Fund Balance - Beginning	<u>909,258</u>	<u>4,448,095</u>	<u>3,538,837</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 4,489,748</u>	<u>\$ 4,489,748</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2015A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
EXPENDITURES			
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	<u>(14,315)</u>	<u>(14,315)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(14,315)</u>	<u>(14,315)</u>	<u>-</u>
Net Change in Fund Balance	<u>(14,315)</u>	<u>(14,315)</u>	<u>-</u>
Fund Balance - Beginning	<u>14,315</u>	<u>14,315</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2016A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Investment Income	\$ 245	\$ 245	\$ -
Total Revenues	<u>245</u>	<u>245</u>	<u>-</u>
EXPENDITURES			
Current:			
Transportation	22,726	22,726	-
Capital Outlay	-	-	-
Total Expenditures	<u>22,726</u>	<u>22,726</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,481)</u>	<u>(22,481)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers (Out)	(91,216)	(91,215)	1
Total Other Financing Sources (Uses)	<u>(91,216)</u>	<u>(91,215)</u>	<u>1</u>
Net Change in Fund Balance	(113,697)	(113,696)	1
Fund Balance - Beginning	<u>113,697</u>	<u>113,696</u>	<u>(1)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, FLORIDA
BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT BONDS, SERIES 2017A
For the Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual Amounts</u>	<u>Variance with Budget - Positive (Negative)</u>
REVENUES			
Investment Income	\$ -	\$ 5,296	\$ 5,296
Total Revenues	<u>-</u>	<u>5,296</u>	<u>5,296</u>
EXPENDITURES			
Debt Service			
Interest and Fiscal Charges	-	5,326	(5,326)
Capital Outlay	633,050	344,975	288,075
Total Expenditures	<u>633,050</u>	<u>350,301</u>	<u>282,749</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(633,050)</u>	<u>(345,005)</u>	<u>288,045</u>
Net Change in Fund Balance	(633,050)	(345,005)	288,045
Fund Balance - Beginning	<u>633,050</u>	<u>480,055</u>	<u>(152,995)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 135,050</u>	<u>\$ 135,050</u>

FIDUCIARY FUNDS

AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments.

Clerk of the Circuit Court and Comptroller

Used to account for resources received and held by the Clerk in a fiduciary capacity. These resources represent fines, forfeitures, and filing fees collected for other governmental agencies and support payments, jury and witness services, and posted bonds collected for individuals.

Sheriff

Used to account for the assets held by the Sheriff for individuals such as prisoner's funds, confiscated monies held as evidence, and prepayments of the Sheriff's fees for serving papers.

Tax Collector

Used to account for property taxes and fees for licenses.

MARION COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
September 30, 2018

	<u>Clerk of the Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total</u>
ASSETS				
Cash and Cash Equivalents	\$ 7,841,452	\$ 1,209,995	\$ 6,646,150	\$ 15,697,597
Accounts Receivable	7,390	-	212,864	220,254
Due from Other Governments	2,944	36	438,080	441,060
Due from Individuals	-	89,899	19,746	109,645
Total Assets	<u>\$ 7,851,786</u>	<u>\$ 1,299,930</u>	<u>\$ 7,316,840</u>	<u>\$ 16,468,556</u>
LIABILITIES				
Due to Other Governments	\$ 960,783	\$ 121,948	\$ 1,944,811	\$ 3,027,542
Due to Individuals	6,891,003	1,177,982	946,174	9,015,159
Deposits	-	-	4,425,855	4,425,855
Total Liabilities	<u>\$ 7,851,786</u>	<u>\$ 1,299,930</u>	<u>\$ 7,316,840</u>	<u>\$ 16,468,556</u>

MARION COUNTY, FLORIDA
STATEMENTS OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended September 30, 2018

CLERK OF THE CIRCUIT COURT

	Balance 10/01/17	Additions	Deductions	Balance 09/30/18
ASSETS				
Cash and Cash Equivalents	\$ 5,832,299	\$ 68,308,121	\$ 66,298,968	\$ 7,841,452
Accounts Receivable	7,073	1,000	683	7,390
Due From Other Governments	6,036	2,944	6,036	2,944
Total Assets	5,845,408	68,312,065	66,305,687	7,851,786
LIABILITIES				
Accounts Payable	4,292	85,669	89,961	-
Due to Other Governments	958,149	37,664,333	37,661,699	960,783
Due to Individuals	4,882,967	30,562,063	28,554,027	6,891,003
Total Liabilities	\$ 5,845,408	\$ 68,312,065	\$ 66,305,687	\$ 7,851,786

SHERIFF

	Balance 10/01/17	Additions	Deductions	Balance 09/30/18
ASSETS				
Cash and Cash Equivalents	\$ 1,120,747	\$ 3,192,390	\$ 3,103,142	\$ 1,209,995
Due From Other Governments	38	508	510	36
Due From Individuals	37,102	89,899	37,102	89,899
Total Assets	1,157,887	3,282,797	3,140,754	1,299,930
LIABILITIES				
Due to Other Governments	109,012	1,011,008	998,072	121,948
Due to Individuals	1,048,875	2,271,789	2,142,682	1,177,982
Total Liabilities	\$ 1,157,887	\$ 3,282,797	\$ 3,140,754	\$ 1,299,930

TAX COLLECTOR

	Balance 10/01/17	Additions	Deductions	Balance 09/30/18
ASSETS				
Cash and Cash Equivalents	\$ 6,654,624	\$ 384,886,600	\$ 384,895,074	\$ 6,646,150
Accounts Receivable	233,129	23,929,465	23,949,730	212,864
Due From Other Governments	341,291	438,080	341,291	438,080
Due From Individuals	22,745	1,872,299	1,875,298	19,746
Total Assets	7,251,789	411,126,444	411,061,393	7,316,840
LIABILITIES				
Due to Other Governments	1,845,540	387,897,735	387,798,464	1,944,811
Due to Individuals	1,101,326	23,107,777	23,262,929	946,174
Deposits	4,304,923	120,932	-	4,425,855
Total Liabilities	\$ 7,251,789	\$ 411,126,444	\$ 411,061,393	\$ 7,316,840

Continued

MARION COUNTY, FLORIDA
STATEMENTS OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - Continued
AGENCY FUNDS
For the Year Ended September 30, 2018

AGENCY COMBINED TOTALS

	Balance 10/01/17	Additions	Deductions	Balance 09/30/18
ASSETS				
Cash and Cash Equivalents	\$ 13,607,670	\$ 456,387,111	\$ 454,297,184	\$ 15,697,597
Accounts Receivable	240,202	23,930,465	23,950,413	220,254
Due From Other Governments	347,365	441,532	347,837	441,060
Due From Individuals	59,847	1,962,198	1,912,400	109,645
Total Assets	14,255,084	482,721,306	480,507,834	16,468,556
LIABILITIES				
Accounts Payable	4,292	85,669	89,961	-
Due to Other Governments	2,912,701	426,573,076	426,458,235	3,027,542
Due to Individuals	7,033,168	55,941,629	53,959,638	9,015,159
Deposits	4,304,923	120,932	-	4,425,855
Total Liabilities	\$ 14,255,084	\$ 482,721,306	\$ 480,507,834	\$ 16,468,556





STATISTICAL SECTION

This part of the Marion County, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's

current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.



**Schedule 1
Marion County, Florida**

**NET POSITION BY COMPONENT
(accrual basis of accounting)**

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Governmental Activities</u>				
Net Investment in Capital Assets	\$ 1,264,430,529	\$ 1,286,658,441	\$ 1,315,106,880	\$ 1,339,224,675
Restricted	152,372,492	122,129,370	124,861,210	106,920,759
Unrestricted	<u>10,415,981</u>	<u>29,428,992</u>	<u>25,736,649</u>	<u>22,941,903</u>
Total governmental activities net position	<u>\$ 1,427,219,002</u>	<u>\$ 1,438,216,803</u>	<u>\$ 1,465,704,739</u>	<u>\$ 1,469,087,337</u>
<u>Business-Type Activities</u>				
Net Investment in Capital Assets	\$ 43,105,301	\$ 42,808,102	\$ 44,435,797	\$ 40,789,313
Restricted	7,513,590	8,260,785	7,953,456	6,863,307
Unrestricted	<u>19,351,302</u>	<u>29,272,608</u>	<u>38,346,532</u>	<u>52,111,814</u>
Total business-type activities net position	<u>\$ 69,970,193</u>	<u>\$ 80,341,495</u>	<u>\$ 90,735,785</u>	<u>\$ 99,764,434</u>
<u>Primary Government</u>				
Net Investment in Capital Assets	\$ 1,307,535,830	\$ 1,329,466,543	\$ 1,363,035,600	\$ 1,380,013,988
Restricted	159,886,082	130,390,155	129,321,743	113,705,539
Unrestricted	<u>29,767,283</u>	<u>58,701,600</u>	<u>64,083,181</u>	<u>75,132,244</u>
Total primary government net position	<u>\$ 1,497,189,195</u>	<u>\$ 1,518,558,298</u>	<u>\$ 1,556,440,524</u>	<u>\$ 1,568,851,771</u>

Note 1: Prior to 2015, amounts have not been restated for the implementation of GASB 68.

Note 2: Prior to 2018, amounts have not been restated for the implementation of GASB 75.

Continued next page

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 1,330,395,327	\$ 1,341,090,566	\$ 1,343,878,343	\$ 1,337,513,605	\$ 1,331,043,338	\$ 1,339,304,810
103,632,320	100,088,086	101,636,838	109,410,519	142,505,391	173,208,945
20,012,070	16,816,579	(97,214,783)	(103,709,485)	(116,379,649)	(136,272,496)
<u>\$ 1,454,039,717</u>	<u>\$ 1,457,995,231</u>	<u>\$ 1,348,300,398</u>	<u>\$ 1,343,214,639</u>	<u>\$ 1,357,169,080</u>	<u>\$ 1,376,241,259</u>
\$ 42,870,778	\$ 48,492,151	\$ 52,167,269	\$ 56,876,287	\$ 54,486,340	\$ 55,857,230
6,611,894	6,472,081	6,507,373	6,257,740	6,186,757	6,285,021
56,388,196	58,633,107	64,048,577	76,262,717	81,603,889	63,537,272
<u>\$ 105,870,868</u>	<u>\$ 113,597,339</u>	<u>\$ 122,723,219</u>	<u>\$ 139,396,744</u>	<u>\$ 142,276,986</u>	<u>\$ 125,679,523</u>
\$ 1,373,266,105	\$ 1,389,582,717	\$ 1,396,045,612	\$ 1,394,389,892	\$ 1,385,529,678	\$ 1,395,162,040
110,244,214	106,560,167	108,144,211	115,668,259	148,692,148	179,493,966
76,400,266	75,449,686	(33,166,206)	(27,446,768)	(34,775,760)	(72,735,224)
<u>\$ 1,559,910,585</u>	<u>\$ 1,571,592,570</u>	<u>\$ 1,471,023,617</u>	<u>\$ 1,482,611,383</u>	<u>\$ 1,499,446,066</u>	<u>\$ 1,501,920,782</u>

Schedule 2
Marion County, Florida

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>Expenses</u>				
Governmental activities:				
General government	\$ 42,842,170	\$ 43,979,722	\$ 42,710,125	\$ 41,826,873
Public safety	144,546,211	144,310,629	134,744,336	129,376,964
Physical environment	5,471,441	6,360,859	4,396,791	3,155,518
Transportation	39,915,602	31,761,721	39,403,724	36,124,801
Economic environment	2,112,819	8,537,148	3,736,099	4,900,310
Human services	12,474,754	13,368,757	12,575,166	15,225,590
Culture/Recreation	12,786,258	13,082,486	12,609,646	12,250,613
Court related	11,870,332	9,887,143	9,827,791	9,910,479
Interest on long-term debt	3,208,569	3,079,956	3,477,078	3,188,320
Total governmental activities expenses	<u>\$ 275,228,156</u>	<u>\$ 274,368,421</u>	<u>\$ 263,480,756</u>	<u>\$ 255,959,468</u>
Business-type activities:				
Solid waste	\$ 12,591,560	\$ 9,010,430	\$ 8,496,725	\$ 10,438,774
Waste and wastewater	22,162,256	24,193,956	24,285,219	23,956,357
Total business-type activities expenses	<u>\$ 34,753,816</u>	<u>\$ 33,204,386</u>	<u>\$ 32,781,944</u>	<u>\$ 34,395,131</u>
Total primary government expenses	<u>\$ 309,981,972</u>	<u>\$ 307,572,807</u>	<u>\$ 296,262,700</u>	<u>\$ 290,354,599</u>
<u>Program Revenues</u>				
Governmental activities:				
Charges for services				
General government	\$ 9,981,707	\$ 8,997,312	\$ 8,208,180	\$ 8,598,441
Public safety	48,547,719	44,943,141	46,450,592	47,004,298
Physical environment	3,564,865	3,730,593	3,695,580	3,593,966
Transportation	4,411,402	4,975,690	5,723,303	3,433,205
Economic environment	235,189	142,647	70,186	82,355
Human services	492,397	499,726	515,603	646,411
Culture/Recreation	1,118,363	1,176,333	1,166,676	1,251,519
Court related	7,999,661	8,577,107	8,400,979	8,537,269
Total Charges for services	<u>76,351,303</u>	<u>73,042,549</u>	<u>74,231,099</u>	<u>73,147,464</u>
Operating grants and contributions	10,025,744	15,671,313	5,509,204	8,020,277
Capital grants and contributions	45,942,984	29,409,178	50,400,467	28,867,761
Total governmental activities program revenues	<u>\$ 132,320,031</u>	<u>\$ 118,123,040</u>	<u>\$ 130,140,770</u>	<u>\$ 110,035,502</u>
Business-type activities:				
Charges for services				
Solid Waste	\$ 14,283,856	\$ 14,848,648	\$ 15,049,547	\$ 15,014,024
Water and Waste Water	19,271,507	21,111,685	24,504,334	23,707,700
Operating grants and contributions	45,503	33,745	27,219	81,917
Capital grants and contributions	1,585,804	5,205,906	1,597,587	2,698,356
Total business-type activities program revenues	<u>\$ 35,186,670</u>	<u>\$ 41,199,984</u>	<u>\$ 41,178,687</u>	<u>\$ 41,501,997</u>
Total primary government program revenues	<u>\$ 167,506,701</u>	<u>\$ 159,323,024</u>	<u>\$ 171,319,457</u>	<u>\$ 151,537,499</u>
<u>Net (Expense) / Revenue</u>				
Governmental activities	\$ (142,908,125)	\$ (156,245,381)	\$ (133,339,986)	\$ (145,923,966)
Business-type activities	432,854	7,995,598	8,396,743	7,106,866
Total primary government net expense	<u>\$ (142,475,271)</u>	<u>\$ (148,249,783)</u>	<u>\$ (124,943,243)</u>	<u>\$ (138,817,100)</u>

	2013	2014	2015	2016	2017	2018
\$	37,925,988	\$ 37,322,626	\$ 42,961,192	\$ 45,740,805	\$ 48,773,464	\$ 54,138,021
	131,807,590	132,850,801	129,080,673	147,295,279	157,169,472	171,852,609
	3,661,367	3,268,232	3,312,381	2,944,110	3,197,065	3,174,319
	38,529,108	35,006,802	39,110,915	40,001,023	39,993,337	41,144,925
	4,655,508	6,233,276	3,891,212	3,552,441	3,781,210	6,529,365
	15,011,096	12,944,317	14,562,848	14,615,146	15,742,555	15,657,968
	12,107,933	12,239,890	12,044,743	12,195,761	12,480,560	13,231,765
	10,626,062	10,096,193	10,377,601	9,876,310	9,928,352	10,553,606
	3,307,866	2,671,126	2,444,752	2,042,111	1,886,034	1,870,171
\$	257,632,518	\$ 252,633,263	\$ 257,786,317	\$ 278,262,986	\$ 292,952,049	\$ 318,152,749
\$	15,546,828	\$ 7,385,262	\$ 9,093,417	\$ 3,957,889	\$ 14,783,496	\$ 38,669,727
	22,352,941	23,836,533	23,959,419	24,632,788	27,036,467	25,112,382
\$	37,899,769	\$ 31,221,795	\$ 33,052,836	\$ 28,590,677	\$ 41,819,963	\$ 63,782,109
\$	295,532,287	\$ 283,855,058	\$ 290,839,153	\$ 306,853,663	\$ 334,772,012	\$ 381,934,858
\$	8,509,099	\$ 8,643,200	\$ 9,031,600	\$ 9,403,817	\$ 9,818,745	\$ 10,198,383
	48,372,460	50,090,680	51,359,927	52,977,793	52,929,908	61,079,855
	3,557,403	3,616,730	3,612,337	3,704,041	3,742,106	3,842,382
	3,644,752	3,353,826	3,172,123	3,490,136	4,019,687	4,087,892
	105,890	169,331	130,723	243,710	739,293	950,317
	614,575	617,748	785,473	719,304	814,633	652,991
	1,294,444	1,576,363	1,777,138	1,810,143	1,772,527	1,944,733
	8,897,947	7,243,228	7,902,887	7,411,956	7,065,377	7,281,852
	74,996,570	75,311,106	77,772,208	79,760,900	80,902,276	90,038,405
	8,539,451	8,335,073	5,961,610	6,721,007	6,235,120	6,749,282
	16,724,520	22,982,897	22,718,320	18,830,824	22,027,841	16,407,735
\$	100,260,541	\$ 106,629,076	\$ 106,452,138	\$ 105,312,731	\$ 109,165,237	\$ 113,195,422
\$	15,061,959	\$ 14,781,604	\$ 14,087,452	\$ 14,241,600	\$ 14,754,895	\$ 15,186,255
	20,784,154	20,404,496	22,940,795	23,684,699	25,088,743	24,419,606
	56,311	104,173	121,187	131,727	123,244	529,329
	6,338,423	1,579,722	4,933,662	3,917,012	2,026,642	4,200,998
\$	42,240,847	\$ 36,869,995	\$ 42,083,096	\$ 41,975,038	\$ 41,993,524	\$ 44,336,188
\$	142,501,388	\$ 143,499,071	\$ 148,535,234	\$ 147,287,769	\$ 151,158,761	\$ 157,531,610
\$	(157,371,977)	\$ (146,004,187)	\$ (151,334,179)	\$ (172,950,255)	\$ (183,786,812)	\$ (204,957,327)
	4,341,078	5,648,200	9,030,260	13,384,361	173,561	(19,445,921)
\$	(153,030,899)	\$ (140,355,987)	\$ (142,303,919)	\$ (159,565,894)	\$ (183,613,251)	\$ (224,403,248)

Continued next page

**Schedule 2
Marion County, Florida**

**CHANGES IN NET POSITION, continued
(accrual basis of accounting)**

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>General Revenues and Other Changes in Net Position</u>				
Governmental activities:				
Property tax	\$ 122,410,829	\$ 112,338,960	\$ 105,482,315	\$ 95,489,435
Sales tax	16,110,230	15,648,027	15,774,601	16,236,723
Infrastructure surtax	-	-	-	-
Public service tax	4,305,337	3,315,697	3,144,880	2,944,791
Gas tax	17,205,761	21,100,727	20,904,474	21,082,945
Unrestricted state revenue sharing	6,271,703	6,357,247	6,483,180	6,703,840
Tourist Development Tax	864,832	874,800	877,610	934,625
Other Taxes	1,020,888	1,030,821	914,188	898,734
Unrestricted intergovernmental revenues	540,581	474,992	533,027	528,775
Investment income	6,113,264	3,777,483	1,770,877	1,684,242
Miscellaneous revenues	2,610,584	2,324,428	4,942,770	2,820,454
Transfers in (out)	-	-	-	(18,000)
Total governmental activities	<u>\$ 177,454,009</u>	<u>\$ 167,243,182</u>	<u>\$ 160,827,922</u>	<u>\$ 149,306,564</u>
Business-type activities:				
Investment income	\$ 1,504,736	\$ 1,187,761	\$ 649,648	\$ 566,613
Miscellaneous revenues	1,056,039	1,187,943	1,347,899	1,337,170
Gain on sale of capital assets	-	-	-	-
Transfers in (out)	-	-	-	18,000
Total business-type activities	<u>\$ 2,560,775</u>	<u>\$ 2,375,704</u>	<u>\$ 1,997,547</u>	<u>\$ 1,921,783</u>
Total primary government	<u>\$ 180,014,784</u>	<u>\$ 169,618,886</u>	<u>\$ 162,825,469</u>	<u>\$ 151,228,347</u>
<u>Change in Net Position</u>				
Governmental activities	\$ 34,545,884	\$ 10,997,801	\$ 27,487,936	\$ 3,382,598
Business-type activities	2,993,629	10,371,302	10,394,290	9,028,649
Total primary government	<u>\$ 37,539,513</u>	<u>\$ 21,369,103</u>	<u>\$ 37,882,226</u>	<u>\$ 12,411,247</u>

Note 1: Prior to 2013, amounts have not been restated for the implementation of GASB 65.

Note 2: Prior to 2015, amounts have not been restated for the implementation of GASB 68.

Note 3: Prior to 2018, amounts have not been restated for the implementation of GASB 75.

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	2013	2014	2015	2016	2017	2018
\$	88,328,566	\$ 92,296,160	\$ 97,786,296	\$ 101,798,214	\$ 106,158,714	\$ 114,266,376
	17,279,765	18,437,597	19,494,464	20,563,787	21,329,279	22,652,641
	-	-	-	-	25,710,753	40,791,199
	3,167,928	2,835,715	2,664,469	2,574,825	2,677,954	2,309,221
	20,300,977	22,780,874	23,599,141	24,484,692	25,224,690	25,582,912
	7,089,066	7,548,554	8,231,502	8,415,045	8,810,365	9,255,130
	997,044	1,047,211	1,141,077	2,429,663	2,800,048	3,061,863
	893,952	920,135	894,809	904,077	931,243	960,324
	506,710	587,730	568,821	578,168	418,778	502,732
	774,299	698,913	1,454,047	1,614,539	1,912,301	3,528,160
	2,986,050	2,806,794	4,142,891	4,982,687	2,119,641	1,828,389
	-	-	1,032,452	(481,201)	(352,513)	(330,866)
\$	<u>142,324,357</u>	<u>\$ 149,959,683</u>	<u>\$ 161,009,969</u>	<u>\$ 167,864,496</u>	<u>\$ 197,741,253</u>	<u>\$ 224,408,081</u>
\$	235,945	\$ 322,506	\$ 717,363	\$ 977,555	\$ 808,329	\$ 630,562
	1,529,411	1,688,416	3,336,111	1,548,980	1,398,310	1,709,116
	-	67,344	322,673	281,428	147,529	87,143
	-	-	(1,032,452)	481,201	352,513	330,866
\$	<u>1,765,356</u>	<u>\$ 2,078,266</u>	<u>\$ 3,343,695</u>	<u>\$ 3,289,164</u>	<u>\$ 2,706,681</u>	<u>\$ 2,757,687</u>
\$	<u>144,089,713</u>	<u>\$ 152,037,949</u>	<u>\$ 164,353,664</u>	<u>\$ 171,153,660</u>	<u>\$ 200,447,934</u>	<u>\$ 227,165,768</u>
\$	(15,047,620)	\$ 3,955,514	\$ 9,675,790	\$ (5,085,759)	\$ 13,954,441	\$ 19,450,754
	6,106,434	7,726,471	12,373,955	16,673,525	2,880,242	(16,688,234)
\$	<u>(8,941,186)</u>	<u>\$ 11,681,985</u>	<u>\$ 22,049,745</u>	<u>\$ 11,587,766</u>	<u>\$ 16,834,683</u>	<u>\$ 2,762,520</u>

**Schedule 3
Marion County, Florida**

**FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)**

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<u>General Fund</u>				
Reserved	\$ 1,020,701	\$ 805,616	\$ -	\$ -
Unreserved	<u>51,368,779</u>	<u>47,985,139</u>	<u>-</u>	<u>-</u>
Nonspendable		805,616	976,749	1,059,629
Restricted		-	-	-
Committed		-	-	-
Assigned		21,260,734	18,422,739	21,912,762
Unassigned		<u>26,724,405</u>	<u>25,137,400</u>	<u>16,171,654</u>
Total general fund	<u>\$ 52,389,480</u>	<u>\$ 48,790,755</u>	<u>\$ 44,536,888</u>	<u>\$ 39,144,045</u>
<u>All Other Governmental Funds</u>				
Reserved	\$ 7,148,042	\$ 10,374,746	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	99,684,164	95,891,898	-	-
Capital projects funds	<u>37,057,904</u>	<u>52,914,796</u>	<u>-</u>	<u>-</u>
Nonspendable		1,505,111	1,376,526	1,066,573
Restricted		141,397,262	145,405,944	129,817,722
Committed		11,736,789	2,706,441	2,918,295
Assigned		4,542,278	6,137,348	3,896,581
Unassigned		-	-	-
Total all other governmental funds	<u>\$ 143,890,110</u>	<u>\$ 159,181,440</u>	<u>\$ 155,626,259</u>	<u>\$ 137,699,171</u>
Total Fund Balance	\$ 196,279,590	\$ 207,972,195	\$ 200,163,147	\$ 176,843,216

Note: Prior to 2010, amounts have not been restated for the implementation of Statement 54.

Continued next page

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,030,386	1,137,245	1,028,667	1,093,792	1,339,387	1,578,061
-	-	-	-	-	-
-	-	-	-	-	-
17,166,304	12,964,911	11,282,579	12,973,053	15,054,838	14,449,112
13,636,213	13,187,592	13,209,371	14,847,034	14,737,338	16,386,445
<u>\$ 31,832,903</u>	<u>\$ 27,289,748</u>	<u>\$ 25,520,617</u>	<u>\$ 28,913,879</u>	<u>\$ 31,131,563</u>	<u>\$ 32,413,618</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,039,705	940,788	2,120,541	1,176,174	4,304,091	2,137,995
118,971,695	108,881,174	104,150,951	101,394,858	131,421,516	166,046,818
3,079,598	3,437,058	3,552,973	3,615,526	3,519,121	2,693,691
3,481,197	2,981,149	2,735,073	629,812	357,419	1,130,250
-	-	-	-	-	-
<u>\$ 126,572,195</u>	<u>\$ 116,240,169</u>	<u>\$ 112,559,538</u>	<u>\$ 106,816,370</u>	<u>\$ 139,602,147</u>	<u>\$ 172,008,754</u>
\$ 158,405,098	\$ 143,529,917	\$ 138,080,155	\$ 135,730,249	\$ 170,733,710	\$ 204,422,372

Schedule 4
Marion County, Florida

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)

Last Ten Fiscal Years

	2009	2010	2011	2012
Revenues				
Taxes	\$ 148,365,587	\$ 141,050,051	\$ 133,875,503	\$ 123,916,382
Special Assessments	34,160,597	35,232,571	35,150,797	35,709,142
Impact Fees	6,707,351	2,204,335	375,662	257,313
Permits and Fees	2,364,523	2,404,629	2,237,255	2,293,486
Intergovernmental Revenues	32,195,941	47,982,308	41,360,556	39,691,078
Charges for Services	28,383,253	27,936,261	28,228,065	29,389,108
Judgments and Fines	3,349,669	1,441,594	1,608,428	1,470,944
Court-Related Revenues	6,779,713	7,515,787	7,493,912	7,520,544
Investment Income	5,591,542	3,425,307	1,615,450	1,552,309
Miscellaneous Revenues	9,112,802	6,907,964	9,684,345	5,543,823
Total Revenues	<u>\$ 277,010,978</u>	<u>\$ 276,100,807</u>	<u>\$ 261,629,973</u>	<u>\$ 247,344,129</u>
Expenditures				
General Government	\$ 36,715,015	\$ 35,883,638	\$ 38,454,988	\$ 34,930,448
Public Safety	143,934,195	143,828,428	132,767,510	128,930,611
Physical Environment	5,463,327	6,394,549	4,365,937	4,339,138
Transportation	39,763,773	38,502,899	36,581,676	43,356,928
Economic Environment	2,120,680	8,533,491	3,784,715	4,879,706
Human Services	12,340,884	13,048,009	12,268,985	13,887,837
Culture/Recreation	15,214,969	14,115,100	13,096,083	10,821,170
Court Related	24,505,255	13,274,078	9,745,901	10,153,071
Debt Service:				
Principal Retirement	10,208,531	6,102,219	6,960,808	7,973,935
Interest and Fiscal Charges	2,124,888	2,658,940	3,594,333	3,319,852
Bond Issuance Cost	455,498	456,166	-	-
Arbitrage Rebate Expense	-	-	-	-
Payments to State	878,256	-	-	-
Capital Outlay	15,449,306	13,952,632	10,775,010	9,966,785
Total Expenditures	<u>\$ 309,174,577</u>	<u>\$ 296,750,149</u>	<u>\$ 272,395,946</u>	<u>\$ 272,559,481</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (32,163,599)</u>	<u>\$ (20,649,342)</u>	<u>\$ (10,765,973)</u>	<u>\$ (25,215,352)</u>
Other Financing Sources (Uses)				
Transfers In	\$ 94,931,318	\$ 91,100,807	\$ 45,747,393	\$ 43,048,872
Transfers (Out)	(94,931,318)	(91,100,807)	(45,847,393)	(43,066,872)
Issuance of Notes/Bonds Payable	34,043,123	32,515,000	3,056,925	1,913,421
Premium(Discount)Notes/Bonds	(114,221)	(173,053)	-	-
Pmt to Bond Escrow Agent	(6,737,213)	-	-	-
Pmt to Refunded Bond Escrow	-	-	-	-
Issuance of Capital Lease	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ 27,191,689</u>	<u>\$ 32,341,947</u>	<u>\$ 2,956,925</u>	<u>\$ 1,895,421</u>
Net Change in Fund Balances	<u>\$ (4,971,910)</u>	<u>\$ 11,692,605</u>	<u>\$ (7,809,048)</u>	<u>\$ (23,319,931)</u>
Debt Service as a Percentage of Non-Capital Expenditures	<u>5.2%</u>	<u>3.7%</u>	<u>4.7%</u>	<u>5.1%</u>

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2013	2014	2015	2016	2017	2018
\$ 116,297,091	\$ 122,125,493	\$ 126,765,952	\$ 131,390,862	\$ 162,649,284	\$ 186,060,242
35,821,981	36,858,818	36,079,094	36,404,470	38,075,562	40,429,370
85,799	37,365	29,206	14,745	541,334	3,162,053
2,344,784	3,020,955	3,280,706	3,790,534	4,040,087	5,450,134
38,127,807	35,654,854	41,447,582	48,693,915	51,341,555	45,625,000
30,690,047	30,251,348	31,906,856	32,093,531	34,339,034	36,995,993
1,831,045	3,221,550	3,154,568	2,731,517	2,616,531	2,899,160
7,716,185	6,178,868	6,819,527	6,286,526	5,770,112	5,763,763
718,553	621,288	1,266,402	1,402,160	1,794,424	3,451,499
5,530,762	5,389,248	4,914,733	7,630,516	5,644,764	5,728,641
<u>\$ 239,164,054</u>	<u>\$ 243,359,787</u>	<u>\$ 255,664,626</u>	<u>\$ 270,438,776</u>	<u>\$ 306,812,687</u>	<u>\$ 335,565,855</u>
\$ 33,438,850	\$ 32,755,900	\$ 34,085,900	\$ 34,947,481	\$ 36,528,709	\$ 39,255,486
130,840,361	133,528,310	136,048,147	139,527,796	143,890,445	158,516,227
4,990,705	4,540,140	4,865,228	4,336,366	5,592,206	5,340,800
31,950,496	29,860,589	27,106,323	31,850,833	31,542,700	24,315,919
4,639,547	6,235,487	3,890,676	3,559,731	3,777,562	6,369,867
15,240,247	12,844,874	14,892,391	14,436,257	15,470,976	15,387,593
10,654,579	10,496,965	11,044,561	12,064,367	12,217,928	12,609,317
10,533,621	10,051,813	10,700,023	9,637,088	9,684,055	11,401,166
7,744,995	8,418,396	8,946,105	5,494,252	5,911,897	7,184,338
3,033,314	2,807,225	2,556,839	1,769,508	1,608,690	1,588,571
-	-	-	199,723	-	-
-	-	3,000	-	-	-
-	-	-	-	-	-
6,401,857	10,970,480	8,370,451	13,058,123	15,648,397	20,222,093
<u>\$ 259,468,572</u>	<u>\$ 262,510,179</u>	<u>\$ 262,509,644</u>	<u>\$ 270,881,525</u>	<u>\$ 281,873,565</u>	<u>\$ 302,191,377</u>
\$ (20,304,518)	\$ (19,150,392)	\$ (6,845,018)	\$ (442,749)	\$ 24,939,122	\$ 33,374,478
\$ 46,297,803	\$ 46,053,480	\$ 46,819,683	\$ 47,084,764	\$ 50,580,834	\$ 55,529,135
(46,297,803)	(46,053,480)	(45,787,231)	(47,565,965)	(50,933,347)	(55,856,490)
1,866,400	3,105,919	-	34,722,677	2,722,225	-
-	-	-	-	-	-
-	-	-	(36,148,633)	-	-
-	1,169,274	362,804	-	7,694,627	641,539
<u>\$ 1,866,400</u>	<u>\$ 4,275,193</u>	<u>\$ 1,395,256</u>	<u>\$ (1,907,157)</u>	<u>\$ 10,064,339</u>	<u>\$ 314,184</u>
<u>\$ (18,438,118)</u>	<u>\$ (14,875,199)</u>	<u>\$ (5,449,762)</u>	<u>\$ (2,349,906)</u>	<u>\$ 35,003,461</u>	<u>\$ 33,688,662</u>
<u>4.8%</u>	<u>5.0%</u>	<u>5.0%</u>	<u>3.2%</u>	<u>3.2%</u>	<u>3.4%</u>

**Schedule 5
Marion County, Florida**

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Real Property				Total Real Property	Personal Property
	Commercial Property	Industrial Property	Residential Property	Other Property		
2009	2,844,096,132	861,867,267	21,999,506,927	10,466,865,573	36,172,335,899	1,608,354,450
2010	2,715,698,740	778,653,107	17,829,896,185	9,680,805,603	31,005,053,635	1,547,921,757
2011	2,410,679,008	702,103,700	15,203,926,702	8,824,497,465	27,141,206,875	1,424,892,450
2012	2,344,301,512	666,586,806	13,535,679,168	7,577,863,752	24,124,431,238	1,372,246,797
2013	2,257,195,858	642,470,150	12,384,768,178	6,429,240,516	21,713,674,702	1,325,660,677
2014	2,245,878,042	638,224,414	12,329,619,094	6,448,968,463	21,662,690,013	1,365,147,480
2015	2,329,441,506	644,187,014	12,939,236,900	6,632,801,440	22,545,666,860	1,421,016,339
2016	2,399,518,588	656,544,413	13,565,382,174	6,325,204,311	22,946,649,486	1,515,664,515
2017	2,495,097,775	664,873,767	14,658,009,047	6,666,930,854	24,484,911,443	1,516,452,408
2018	2,598,668,592	729,127,270	15,497,527,947	6,796,520,780	25,621,844,589	1,619,755,735

Source: Marion County Property Appraiser.

Notes: Property is reassessed each year by the Marion County Property Appraiser. Property is assessed at approximately 100% of actual taxable value. Tax rates are per \$1,000 of assessed valuation.

(1) Centrally assessed property consists of railroad and telegraph systems which are assessed by the State of Florida.

(2) Source is the State of Florida, Department of Revenue, Division of Ad Valorem Tax.

Continued next page

Centrally Assessed		Less: Tax Exempt	Total Taxable Assessed	Total Direct	Actual Taxable	Assessed Value as a Percentage of Actual Value
Property (1)	Total	Property	Value	Tax Rate	Value	(2)
15,007,701	37,795,698,050	17,148,198,397	20,647,499,653	3.89	21,047,400,258	98.10%
15,121,409	32,568,096,801	14,294,357,595	18,273,739,206	3.90	18,292,031,237	99.90%
13,690,221	28,579,789,546	12,344,740,750	16,235,048,796	3.89	16,617,245,441	97.70%
15,044,813	25,511,722,848	10,577,005,055	14,934,717,793	3.89	15,255,074,354	97.90%
18,381,187	23,057,716,566	9,134,245,468	13,923,471,098	3.89	13,937,408,507	99.90%
19,153,005	23,046,990,498	9,157,851,809	13,889,138,689	3.90	14,363,121,705	96.70%
20,017,720	23,986,700,919	9,639,477,242	14,347,223,677	3.90	14,945,024,664	96.00%
20,342,991	24,482,656,992	9,516,991,825	14,965,665,167	3.90	15,887,118,012	94.20%
21,820,066	26,023,183,917	10,414,753,885	15,608,430,032	3.89	16,499,397,497	94.60%
22,705,975	27,264,295,299	10,754,773,398	16,509,521,901	4.02	17,544,656,643	94.10%

**Schedule 6
Marion County, Florida**

DIRECT AND OVERLAPPING PROPERTY TAX RATES (1)(2)

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Board of County Commissioners:</u>			
General Fund	3.1300	3.1300	3.1900
Find and Forfeiture Fund	0.5600	0.5600	0.5300
Marion County Health Department Fund	0.1200	0.1200	0.1200
Parks and Land Acquisition Debt Service Fund	0.0800	0.0900	0.0500
Total General County	<u>3.8900</u>	<u>3.9000</u>	<u>3.8900</u>
<u>District School System:</u>			
I Local Required Effort	5.0530	5.2300	5.2390
II Local Discretionary Use	0.6950	0.7480	0.7480
III Building Fund	1.7500	1.5000	1.5000
IV Interest and Sinking Fund	-	-	-
V Additional Voted Millage	-	-	-
Total School System	<u>7.4980</u>	<u>7.4780</u>	<u>7.4870</u>
Total County-Wide	<u><u>11.3880</u></u>	<u><u>11.3780</u></u>	<u><u>11.3770</u></u>
<u>Special Districts:</u>			
Rainbow Lakes Estates MSD(3)	1.5600	2.0000	2.0000
MSTU for Law Enforcement(4)	2.0300	2.3300	2.8100
Silver Springs Shores Special Tax District	3.0000	3.0000	3.0000
Marion Oaks MSTU for Fire Protection(4)	-	-	-
Silver Springs Shores MSTU for Fire Protection(4)	-	-	-
MSTU-Emergency Medical Service(4)	0.8300	0.8300	0.8300
Rainbow Lakes Estates CRF MSBU (5)	0.3000	0.3400	0.3400
Marion Oaks MSTU for Fire Protection(4)	1.0200	1.0200	1.0200
Emergency Medical Services Fund	-	-	-
Hills of Ocala MSTU for Recreation(4)	0.1400	0.1400	0.1800

- Notes: (1) Marion County Property Appraiser (Primary Millage Rates).
(2) Rates are stated as an amount per \$1,000 of assessed value.
(3) MSD is an acronym for Municipal Service District.
(4) MSTU is an acronym for Municipal Service Taxing Unit.
(5) MSBU is an acronym for Municipal Service Benefit Unit.

Continued next page

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
3.1900	3.1900	3.1900	3.1900	3.1900	3.1900	3.3300
0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
0.0500	0.0500	0.0600	0.0600	0.0600	0.0500	0.0400
<u>3.8900</u>	<u>3.8900</u>	<u>3.9000</u>	<u>3.9000</u>	<u>3.9000</u>	<u>3.8900</u>	<u>4.0200</u>
5.4600	5.4230	5.0910	5.0500	4.9240	4.6540	4.3120
0.7480	0.7480	0.7480	0.7480	0.7480	0.7480	0.7480
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
-	-	-	-	-	-	-
-	-	-	-	1.0000	1.0000	1.0000
<u>7.7080</u>	<u>7.6710</u>	<u>7.3390</u>	<u>7.2980</u>	<u>8.1720</u>	<u>7.9020</u>	<u>7.5600</u>
<u>11.5980</u>	<u>11.5610</u>	<u>11.2390</u>	<u>11.1980</u>	<u>12.0720</u>	<u>11.7920</u>	<u>11.5800</u>
2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500
2.8100	2.8100	3.2100	3.4700	3.4700	3.4700	3.4700
3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700
0.3800	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
1.0200	1.0200	1.0200	1.0200	1.0200	1.0200	1.0200
-	-	-	-	-	-	-
0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800

**Schedule 6
Marion County, Florida**

DIRECT AND OVERLAPPING PROPERTY TAX RATES (1)(2) (CONTINUED)

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Southwest Florida Water Management District:</u>			
District Levy	0.3866	0.3866	0.3770
Withlacoochee River Basin Levy	0.2308	0.2308	0.2308
<u>St. Johns River Water Management District:</u>			
District Levy	0.4158	0.4158	0.4158
<u>Municipalities:</u>			
Ocala	4.5288	4.9664	5.6183
Ocala (Downtown Development District "A")	1.3726	1.3967	1.5647
Ocala (Downtown Development District "B")	1.1566	1.2163	1.5508
Ocala (Downtown Development District "C")	0.9493	1.0062	1.1347
Bellevue	2.8905	2.9544	3.3472
Dunnellon	5.2266	6.4469	6.9101
McIntosh	1.8050	1.9670	2.1344

Notes: The County's basic property tax rate may be increased only by a majority vote of the County's residents.
Rates for debt service are set based on each year's requirements.
(1) Marion County Property Appraiser (Primary Millage Rates).
(2) Rates are stated as an amount per \$1,000 of assessed value.

Continued next page

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
0.3928	0.3928	0.3818	0.3658	0.3488	0.3417	0.3131
-	-	-	-	-	-	-
0.3313	0.3313	0.3283	0.3164	0.3023	0.2885	0.2724
5.9332	6.1502	6.2502	6.1638	6.6177	6.6177	6.6177
1.5862	1.6461	1.5967	1.4966	1.4966	1.7185	1.7185
1.6191	1.6542	1.7013	1.6332	1.6332	1.6332	1.6332
1.1772	1.2332	1.2810	1.2825	1.2825	1.5091	1.5091
3.9912	3.9912	3.9912	3.9912	4.5000	4.5000	5.0000
7.1408	6.8013	7.1408	7.5000	7.5000	7.5000	6.5000
2.2988	2.5546	2.5198	2.4087	2.3175	2.2078	2.2078

**Schedule 7
Marion County, Florida**

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>Fiscal Year 2018 (a)</u>			<u>Fiscal Year 2009 (b)</u>		
	<u>Taxable Value</u>	<u>Percent of Total Taxable Value</u>	<u>Rank</u>	<u>Taxable Value</u>	<u>Percent of Total Taxable Value</u>	<u>Rank</u>
Duke Energy	\$ 232,605,309	1.41 %	1	\$ 117,654,313	0.57 %	2
Marion County Hospital Dist.	141,197,130	0.86 %	2			
Sumter Electric Coop, Inc.	121,793,060	0.74 %	3	95,444,072	0.46 %	3
FedEx Ground Package	92,189,427	0.56 %	4			
Wal-Mart	73,374,468	0.44 %	5	81,649,342	0.40 %	4
Marion Community Hospital	67,301,113	0.41 %	6	52,578,178	0.25 %	8
Embarq Florida Inc.	55,953,387	0.34 %	7	164,943,419	0.80 %	1
K-Mart Distribution	50,371,109	0.31 %	8	62,170,444	0.30 %	7
Paddock Mall LLC	45,347,030	0.27 %	9	37,524,362	0.18 %	10
Northland Heathbrook LLC	44,275,730	0.27 %	10			
On Top of the World				72,503,521	0.35 %	5
Deltona Corporation				68,670,400	0.33 %	6
Closetmaid Corporation				39,760,440	0.19 %	9
Sub-total	\$ 924,407,763	5.60 %		\$ 792,898,491	3.84 %	
All others	\$ 15,585,114,138	94.40 %		\$ 19,854,954,496	96.16 %	
Totals	<u>\$ 16,509,521,901</u>	<u>100.00 %</u>		<u>\$ 20,647,852,987</u>	<u>100.00 %</u>	

Source: Marion County Property Appraiser.

Notes: (a) The fiscal year ended September 30, 2018 tax levy is based on the 2017 taxable value.
(b) The fiscal year ended September 30, 2009 tax levy is based on the 2008 taxable value.

**Schedule 8
Marion County, Florida**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Levy
2009	127,481,050	120,611,560	94.6 %	1,799,269	122,410,829	96.0 %
2010	115,943,764	110,503,489	95.3 %	1,835,471	112,338,960	96.9 %
2011	108,420,286	104,552,164	96.4 %	930,151	105,482,315	97.3 %
2012	98,571,292	94,771,156	96.1 %	718,279	95,489,435	96.9 %
2013	91,425,614	87,636,400	95.9 %	692,166	88,328,566	96.6 %
2014	95,169,348	91,653,600	96.3 %	642,560	92,296,160	97.0 %
2015	101,010,439	97,115,097	96.1 %	671,198	97,786,295	96.8 %
2016	104,950,636	100,844,671	96.1 %	953,543	101,798,214	97.0 %
2017	109,414,067	105,410,583	96.3 %	748,131	106,158,714	97.0 %
2018	117,801,974	113,496,674	96.3 %	769,702	114,266,376	97.0 %

Source: Marion County Tax Collector.

**Schedule 9
Marion County, Florida**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Other Governmental Activities			Business-Type Activities	
		Half Cent Sales Tax Revenue Bonds	Special Assessment Bonds	Commercial Loan Payable	Utility System Revenue Bonds	Long-Term Contracts Payable
2009	6,545,000	40,899,780	14,129,854	26,405	69,045,000	27,639,518
2010	5,110,000	71,038,310	11,848,612	16,898	79,905,000	28,051,317
2011	4,565,000	66,740,000	12,798,436	6,505	75,305,000	26,950,288
2012	3,995,000	61,815,000	12,239,420	-	73,110,000	26,137,581
2013	3,400,000	56,518,574	12,050,829	-	72,537,132	24,838,452
2014	2,780,000	51,273,174	12,623,352	1,169,274	69,628,402	28,044,983
2015	2,130,000	45,520,600	10,234,677	1,394,649	66,684,673	26,575,144
2016	1,450,000	45,906,700	8,354,821	1,057,928	61,545,943	25,068,723
2017	740,000	43,317,800	8,841,093	8,416,611	59,747,213	23,524,761
2018	-	40,573,900	6,602,677	7,637,228	56,313,484	21,942,261

Sources: Population and personal income data from University of Florida, Bureau of Economic and Business Research. The Bureau of the Census and Bureau of Economic Analysis. See schedule 12

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Prior year data reflects source data updates.

Per Capita income and population for Fiscal Year 2016 and 2017 was not available at time of report.

The calculation for 2016 per capita income is a 1.46% CPI increase over 2015 year.

The calculation for 2017 per capita income is a 2.23% CPI increase over 2016 year.

Source of CPI is U.S. Department of Labor, Bureau of Labor Statistics.

Debt limitation-there are no legal debt limits for Florida municipalities.

The County had no overlapping debt with over governments.

Continued next page

<u>Total Primary Government</u>	<u>Marion County Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
158,285,557	9,716,575,293	1.6 %	479
195,970,137	10,032,034,738	2.0 %	592
186,365,229	10,524,941,870	1.8 %	562
177,297,001	10,602,369,760	1.7 %	532
169,344,987	10,537,006,624	1.6 %	505
165,519,185	10,991,246,805	1.5 %	490
152,539,743	11,109,293,595	1.4 %	447
143,384,115	11,857,461,955	1.2 %	415
144,587,478	12,526,111,688	1.2 %	414
133,069,550	12,981,332,538	1.0 %	376

**Schedule 10
Marion County, Florida**

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

General Bonded Debt					
Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Bond Debt	Percentage of Actual Property Value	Per Capita
2009	6,545,000	327,351	6,217,649	0.02%	212
2010	5,110,000	221,717	4,888,283	0.02%	162
2011	4,565,000	240,605	4,324,395	0.02%	137
2012	3,995,000	189,139	3,805,861	0.01%	120
2013	3,400,000	85,227	3,314,773	0.01%	105
2014	2,780,000	117,104	2,662,896	0.01%	82
2015	2,130,000	172,892	1,957,108	0.01%	60
2016	1,450,000	267,091	1,182,909	0.01%	34
2017	740,000	253,958	486,041	0.002%	14
2018	-	-	-	-	-

- Notes:** Details regarding the County's outstanding debt can be found in the notes to the financial statements.
- 1** Taxable value data can be found on the schedule of Assessed Value and Actual Value of Taxable Property.
 - 2** Population data can be found on the Demographic and Economic Statistics schedule.



**Schedule 11
Marion County, Florida**

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Utility System Revenue Bonds						
Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements		Coverage
				Principal	Interest	
2009	20,710,555	12,236,006	8,474,549	2,280,512	3,384,669	1.50
2010	22,602,242	12,044,376	10,557,866	3,591,349	3,574,329	1.47
2011	26,028,823	11,331,761	14,697,062	3,857,103	4,358,526	1.79
2012	25,224,770	10,735,712	14,489,058	3,127,708	4,183,583	1.98
2013	22,369,186	10,104,468	12,264,718	3,829,129	3,216,767	1.74
2014	22,086,023	10,481,549	11,604,474	4,564,267	3,272,564	1.48
2015	26,677,171	10,590,017	16,087,154	4,304,839	3,346,761	2.10
2016	25,572,951	10,857,915	14,715,036	4,431,420	3,209,859	1.93
2017	26,760,686	13,776,913	12,983,773	3,233,962	2,532,823	2.25
2018	26,413,817	11,622,837	14,790,980	4,907,500	2,534,706	1.99

Source: Clerk of the Circuit Court, Finance Department.

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Gross revenues are defined pursuant to the resolution authorizing the issuance of the bonds (Resolution Number 93-R-292) as all revenues of the Utilities System, excluding governmental grants (and any interest earned on such grants) and water and sewer connection fees.

(2) Operating expenses are defined pursuant to the resolution authorizing the issuance of the bonds (Resolution Number 93-R-292) as all expenses of the Utilities System, with the exception of interest, depreciation, depletion, amortization, or similar expenses.

Continued next page

Special Assessment Bonds				Half-Cent Sales Tax Revenue Bonds			
Special Assessment Collections	Debt Service Requirements		Coverage	Half-Cent Sales Tax Revenues	Debt Service Requirements		Coverage
	Principal	Interest			Principal	Interest	
1,933,052	2,129,834	465,470	0.74	16,110,230	2,554,710	892,173	4.67
2,669,553	2,281,241	536,060	0.95	15,648,027	2,376,470	1,719,734	3.82
2,513,889	2,107,102	483,087	0.97	15,774,601	4,298,310	2,757,274	2.24
2,637,319	2,472,437	469,727	0.90	16,236,723	4,925,000	2,594,194	2.16
2,489,575	2,054,991	423,418	1.00	17,279,764	5,095,000	2,417,239	2.30
2,472,353	2,533,396	407,543	0.84	18,437,597	5,265,000	2,233,129	2.46
2,780,374	2,388,675	377,488	1.01	19,494,464	5,770,000	2,047,394	2.49
2,729,848	2,182,532	328,864	1.09	20,563,787	2,295,000	1,303,139	5.72
2,840,168	2,235,953	269,024	1.13	21,329,279	2,630,000	1,225,272	5.53
2,276,748	2,238,416	232,660	0.92	22,652,641	2,785,000	1,134,012	5.78

**Schedule 12
Marion County, Florida**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (1)(2)	Personal Income (3) (in thousands)	School Enrollment (4)	Unemployment Rate (5)
2009	330,507	29,399	9,716,575	41,498	12.80%
2010	331,298	30,281	10,032,035	41,173	13.60%
2011	331,745	31,726	10,524,942	41,331	12.30%
2012	332,989	31,840	10,602,370	41,415	10.30%
2013	335,008	31,453	10,537,007	41,589	8.60%
2014	337,455	32,701	11,035,116	41,632	7.30%
2015	341,205	33,800	11,532,729	42,194	6.10%
2016	345,749	34,295	11,857,462	42,474	6.00%
2017	349,267	35,864	12,526,112	42,893	4.10%
2018	353,898	36,681	12,981,333	42,881	3.60%

- Sources:**
- (1) University of Florida, Bureau of Economic and Business Research, Florida Statistical Abstract.
 - (2) Per Capita income for Fiscal Year 2018 was not available at time of report.
The calculation for 2018 is a 2.28% CPI increase from 2017 year.
Source of CPI is U.S. Department of Labor, Bureau of Labor Statistics.
 - (3) The per capita figures are multiplied by the population to determine the personal income.
The actual per capita personal income is for Marion County.
 - (4) Marion County Public Schools at www.marion.k12.fl.us/
 - (5) Florida Research and Economic Information Database at <http://freida.labormarketinfo.com/>
Unemployment rate information is an adjusted yearly average.

Note: Prior year data reflects source data updates.

**Schedule 13
Marion County, Florida**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer(1)	Business	Fiscal Year 2018			Fiscal Year 2009		
		Employees	Percent of Total County Employment	Rank	Employees	Percent of Total County Employment	Rank
Marion County Public Schools	Education	6,650	5.06 %	1	6,084	5.04 %	1
Florida Hospital Ocala	Healthcare	2,648	2.01 %	2	2,500	2.07 %	3
State of Florida (All Depts.)	Government	2,600	1.98 %	3	2,500	2.07 %	2
Wal-Mart	Retail Sales	2,400	1.83 %	4	2,370	1.96 %	4
Ocala Regional Health System	Healthcare	2,400	1.83 %	5	1,301	1.08 %	7
Marion County BCC	Government	1,523	1.16 %	6	1,400	1.16 %	6
Publix Supermarkets	Retail Sales	1,488	1.13 %	7	1,404	1.16 %	5
Lockheed Martin	Manufacturing	1,200	0.91 %	8			
AT & T	Communications	1,000	0.76 %	9	1,000	0.83 %	8
City of Ocala	Government	989	0.75 %	10	979	0.81 %	9
Marion County Sheriff's Office	Government				885	0.73 %	10
Total		22,898	17.42 %		20,423	16.92 %	
All Others		108,522	82.58 %		100,277	83.08 %	
Total Employment(2)		131,420	100 %		120,700	100 %	

Sources: (1) Top 10 Major Employers from Ocala, Marion County Economic Development Corporation (EDC) at www.ocalaedc.org.
(2) Total Employment numbers from Florida Research and Economic Information Database Application retrieved from <http://freida.labormarketinfo.com>

**Schedule 14
Marion County, Florida**

MARION COUNTY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM

Last Ten Fiscal Years

	2009	2010	2011	2012	2013
Governmental Activities:					
<u>General Government</u>					
1 Board of County Commissioners	206	170	170	164	169
1 Clerk of the Circuit Court	86	64	64	64	59
2 Supervisor of Elections	14	13	16	15	13
3 Tax Collector	121	122	118	120	119
4 Property Appraiser	61	57	54	54	54
<u>Public Safety</u>					
5 Marion County Sheriff	903	869	795	768	760
1 Board of County Commissioners	566	702	702	673	687
<u>Physical Environment</u>					
1 Board of County Commissioners	26	34	34	26	29
<u>Transportation</u>					
1 Board of County Commissioners	188	180	180	171	171
<u>Economic Environment</u>					
1 Board of County Commissioners	11	15	15	18	14
<u>Human Services</u>					
1 Board of County Commissioners	43	63	63	57	59
<u>Culture / Recreation</u>					
1 Board of County Commissioners	179	178	178	158	158
<u>Court Related</u>					
1 Board of County Commissioners	19	20	20	21	21
1 Clerk of the Circuit Court	225	135	135	135	145
Business-type Activities:					
1 Solid Waste	82	76	76	71	59
1 Water and Wastewater	104	102	102	93	95
Total	<u>2,834</u>	<u>2,800</u>	<u>2,722</u>	<u>2,608</u>	<u>2,612</u>

Sources:

- 1 Clerk of the Circuit Court, Budget Department.
- 2 Marion County Supervisor of Elections.
- 3 Marion County Tax Collector.
- 4 Marion County Property Appraiser.
- 5 Marion County Sheriff.

Continued next page

2014	2015	2016	2017	2018
180	180	182	183	188
64	65	67	67	65
15	16	15	17	18
122	117	118	125	119
53	53	52	47	47
714	718	708	729	763
694	701	721	694	717
32	33	33	31	31
170	170	171	172	172
14	14	15	15	17
58	58	55	55	57
170	169	162	165	173
23	22	22	20	18
136	132	131	131	135
58	56	54	53	53
93	95	95	97	98
2,596	2,599	2,601	2,601	2,671

**Schedule 15
Marion County, Florida**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2009	2010	2011	2012	2013
<u>Utility System</u>					
Number of customers	28,599	28,755	29,006	29,159	29,197
Average daily flow (millions of gallons)	10.07	9.89	10.00	9.63	9.12
<u>Building Inspections</u>					
Building permits issued	11,124	12,467	12,094	12,219	13,081
<u>Law Enforcement</u>					
Physical arrests	13,307	12,925	12,629	12,293	9,022
<u>Fire</u>					
Emergency responses	58,041	59,043	62,145	47,603	66,081
Inspections	1,378	1,322	1,310	1,255	1,254
<u>Other Public Works</u>					
Street resurfacing (miles)	15	17	27	55	21
Other street repairs	44,851	325,445	1,052,675	609,685	426,131

Source: Various County Departments.

Note: Indicators are not available for the general government function.

Continued next page

2014	2015	2016	2017	2018
30,392	31,546	31,923	32,121	32,843
8.88	9.23	10.27	10.50	10.20
16,022	16,856	17,438	17,847	21,943
13,251	10,426	8,675	8,011	9,362
65,696 1,356	69,138 447	74,227 1,555	79,568 1,562	79,570 1,955
11 476,351	21 419,286	12 181,453	15 333,190	21 490,406

**Schedule 16
Marion County, Florida**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	2009	2010	2011	2012	2013
<u>Transportation</u>					
Miles of streets	2,965	2,999	3,040	3,059	3,058
<u>Utility System</u>					
Miles of water mains	564	568	568	591	597
Plant Capacity - all plants (millions)	35	36	36	39	39
Number of fire hydrants	2,045	2,121	2,148	2,195	2,248
Water plants	39	43	36	33	33
Deep wells	63	67	97	59	59
High service pumping stations	10	9	9	9	9
Ground storage tanks	10	9	9	9	9
Ground storage tank capacity (millions of gallons)	8.01	6.51	8.00	8.00	8.00
Elevated storage tanks	4	4	4	4	4
Elevated storage tank capacity (millions of gallons)	1.50	1.50	1.50	1.50	1.50
Number of treatment plants	11	11	10	7	6
Daily treatment capacity (millions of gallons)	4.33	2.35	2.00	2.22	4.60
Number of lift stations	152	153	163	163	164
Miles of sanitary sewer lines	303	308	215	216	217
<u>Other Public Works</u>					
Traffic signals	112	108	108	111	113
<u>Public Safety</u>					
Fire stations	30	30	31	30	31
Sheriff stations	13	12	11	11	11
Patrol units	605	587	517	451	430
<u>Parks and Recreation</u>					
Park acreage	3,859	2,479	2,501	2,462	2,014
Number of community parks	36	36	38	37	40

Source: Various County Departments.

Continued next page

2014	2015	2016	2017	2018
3,075	3,077	3,079	3,085	3,087
608	628	642	648	650
42	43	42	39	39
2,332	2,421	2,469	2,561	3,253
35	38	37	35	37
64	66	65	66	68
9	9	9	9	9
9	9	9	9	9
8.00	8.00	8.00	8.00	8.03
4	4	3	3	3
1.50	1.50	1.35	1.35	1.35
5	5	5	5	5
4.06	4.06	4.06	2.25	2.25
163	166	166	167	170
217	224	226	349	355
116	116	116	125	125
30	30	30	31	31
11	11	11	10	11
405	428	420	457	533
2,014	2,014	2,002	2,479	2,479
40	40	50	51	51

COMPLIANCE SECTION

This section is presented in accordance with:

- *Government Auditing Standards*, issued by the Comptroller General of the United States
- The provisions of Office of Management and Budget (OMB) Uniform Guidance
- Florida Single Audit Act, Chapter 215.97 of the *Florida Statutes*
- The *Rules of the Auditor General* of the State of Florida, Chapter 10.550



**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES;
THE PROVISIONS OF THE UNIFORM GUIDANCE; AND THE *RULES*
*OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA***

**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 Board of the County Commissioners
Marion County, Florida
Ocala, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Marion 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 March 6, 2019.

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 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.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Board of the County Commissioners
Marion County, Florida
Ocala, Florida

**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
(Concluded)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

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

The Honorable Board of the County Commissioners
Marion County, Florida
Ocala, Florida

Report on Compliance for Each Major Federal Program and State Project

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

Management's Responsibility

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

Auditors' Responsibility

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

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

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The Honorable Board of the County Commissioners
Marion County, Florida
Ocala, Florida

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

Opinion on Each Major Federal Program

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

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

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

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of and for the year ended September 30, 2018, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 6, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The Honorable Board of the County Commissioners
Marion County, Florida
Ocala, Florida

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

Schedule of Expenditures of Federal Awards and State Financial Assistance (Concluded)

The accompanying schedule of expenditures of federal awards and state financial assistance is presented for the purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* 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 basic 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 underlying accounting and other records used to prepare 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 schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
MARION COUNTY, FLORIDA**

Federal Grantor / Pass-Through Grantor / Program Title / Project Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures Only	Federal Amount Provided to Subrecipients
FEDERAL AWARDS				
<u>U.S. Department of Agriculture:</u>				
Cooperative Forestry Assistance	10.664	17-LE-11080500-036	8,800	-
<i>Passed through Florida Department of Financial Services:</i> Schools and Roads-Grants to States	10.665	N/A	272,159	-
<i>Passed through Marion County School Board:</i> Schools and Roads-Grants to States	10.665	N/A	20,708	-
Total U.S. Department of Agriculture			301,667	-
<u>U.S. Department of Housing and Urban Development:</u>				
Community Development Block Grants/Entitlement Grants	14.218	B-14-UC-12-0019	550,324	506,456
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-12-0019	127,148	123,098
Community Development Block Grants/Entitlement Grants	14.218	B-16-UC-12-0019	523,191	305,040
Community Development Block Grants/Entitlement Grants	14.218	B-17-UC-12-0019	579,785	256,855
Community Development Block Grants/Entitlement Grants	14.218	B-08-UN-12-0011	9,929	-
Community Development Block Grants/Entitlement Grants	14.218	B-11-UN-12-0011	27,359	-
Total Community Development Block Grants/Entitlement Grants			1,817,736	1,191,449
Emergency Solutions Grant Program	14.231	E-15-UC-12-0026	25,015	25,015
Emergency Solutions Grant Program	14.231	E-16-UC-12-0026	70,729	64,542
Emergency Solutions Grant Program	14.231	E-17-UC-12-0026	7,898	4,141
Total Emergency Solutions Grant Program			103,642	93,698
Home Investment Partnerships Program	14.239	M-11-DC-12-0232	175,557	175,557
Home Investment Partnerships Program	14.239	M-12-DC-12-0232	129,498	90,038
Home Investment Partnerships Program	14.239	M-13-DC-12-0232	157,483	95,769
Home Investment Partnerships Program	14.239	M-14-DC-12-0232	52,141	38,691
Home Investment Partnerships Program	14.239	M-16-DC-12-0232	60,513	-
Home Investment Partnerships Program	14.239	M-17-DC-12-0232	6,250	-
Home Investment Partnerships Program	14.239	M-18-DC-12-0232	3,851	-
Total Home Investment Partnerships Program			585,293	224,498
Total U.S. Department of Housing and Urban Development			2,506,671	1,509,645
<u>U.S. Department of Justice:</u>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-1047	46,968	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-1020	10,467	-
Total Edward Byrne Memorial Justice Assistance Grant Program			57,435	-
<i>Passed through Florida Coalition Against Domestic Violence:</i> State Domestic Violence and Sexual Assault Coalitions	16.588	18-8052-LE-ENH	62,500	-
State Domestic Violence and Sexual Assault Coalitions	16.588	19-8052-LE-ENH	33,689	-
			96,189	-
<i>Passed through Florida Office of Attorney General:</i> Crime Victim Assistance	16.575	VOCA-2017-MARION COUNTY SHERIFFS O-00423	43,435	-
Total U.S. Department of Justice			197,059	-

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
MARION COUNTY, FLORIDA
(Continued)**

Federal Grantor / Pass-Through Grantor / Program Title / Project Title	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures Only	Amount Provided to Subrecipients
<u>U.S. Department of Transportation:</u>				
<i>Passed through Florida Department of Transportation:</i>				
Highway Planning and Construction FM: 442916-1-58-01	20.205	DDIR #IR-36-006	14,290	-
Highway Planning and Construction FPN: 438567-1-58-01	20.205	GOL37	1,109,054	-
Highway Planning and Construction FPN: 436358-1-58-01	20.205	G0167	1,119,202	-
Highway Planning and Construction FPN: 436291-1-58-.01	20.205	G0168	383,190	-
Highway Planning and Construction FPN: 435484-1-38/C8-01	20.205	G0175	13,918	-
Highway Planning and Construction FPN: 430252-1-54-01	20.205	ARG87	631,248	-
Highway Planning and Construction FPN: 436474-1-38-01	20.205	G0021	900	-
Highway Planning and Construction FPN: 435486-1-38-01	20.205	G0977	7,940	-
Total U.S. Department of Transportation			3,279,742	-
<u>Election Assistance Commission:</u>				
<i>Passed through Florida Department of State:</i>				
Help America Vote Act Requirements Payments	90.401	N/A	15,289	-
Total Election Assistance Commission			15,289	-
<u>U.S. Department of Health & Human Services:</u>				
<i>Passed through Florida Department of Revenue:</i>				
Child Support Enforcement	93.563	COC 42	262,828	-
<i>Passed through Marion County Children's Alliance:</i>				
Drug Free Communities Support Program Grant	93.276	1H79SP021604-01	524	-
Total U.S. Department of Health & Human Services			263,352	-
<u>U.S. Department of Homeland Security:</u>				
<i>Passed through Florida Department of Emergency Management:</i>				
Emergency Management Performance Grant	97.042	18-FG-7A-05-52-01-120	83,367	-
Emergency Management Performance Grant	97.042	19-FG-AF-05-52-01-073	10,526	-
CERT	97.042	N/A	7,000	-
Citizen's Corp	97.042	N/A	7,000	-
Total Emergency Management Performance Grants			107,893	-
<i>Passed through Florida Department of Emergency Management</i>				
Homeland Security Grant Program	97.067	17-DS-V4-05-52-01-298	23,472	-
Homeland Security Grant Program	97.067	18-DS-X1-05-52-01-221	7,534	-
Homeland Security Grant Program	97.067	17-DS-V4-05-52-01-284	11,950	-
Homeland Security Grant Program	97.067	17-DS-V4-05-52-01-337	55,852	-
Total Homeland Security Grant Program			98,808	-
Total U.S. Department of Homeland Security			206,701	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 6,770,482	\$ 1,509,645

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
MARION COUNTY, FLORIDA
(Continued)

State Grantor / Pass-Through Grantor / Program Title / Project Title	State CSFA Number	State Identification Number	State Expenditures Only	State Amount Provided to Subrecipients
STATE FINANCIAL ASSISTANCE				
<u>Florida Department of Emergency Management:</u>				
Emergency Management Programs:				
Emergency Management Programs	31.063	18-BG-W9-05-52-01-123	66,670	-
Emergency Management Programs	31.063	19-BG-21-05-52-01-038	4,649	-
Total Emergency Management Programs			<u>71,319</u>	<u>-</u>
Total Florida Department of Emergency Management			<u>71,319</u>	<u>-</u>
<u>Florida Department of Environmental Protection:</u>				
Cooperative Collection Center Grant:	37.007	S0957	35,000	-
<i>Passed through St. Johns River Water Management District:</i>				
Florida Springs Grant (US 441 Water Main)	37.052	32378	353,248	-
Florida Springs Grant (SSS Unit 7 Stormwater Retrofit)	37.052	28852	185,750	-
			<u>538,998</u>	<u>-</u>
Total Florida Department of Environmental Protection			<u>573,998</u>	<u>-</u>
<u>Florida Housing Finance Corporation:</u>				
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	2,998,560	-
Total Florida Housing Finance Corporation			<u>2,998,560</u>	<u>-</u>
<u>Florida Department of Economic Opportunity</u>				
Economic Development Tax Refund, Tax Credit and Grant Program	40.043	GO037	40,000	-
Total Florida Department of Economic Opportunity			<u>40,000</u>	<u>-</u>
<u>Florida Department of State:</u>				
State Aid to Libraries	45.030	18-ST-29	150,038	-
Total Florida Department of State			<u>150,038</u>	<u>-</u>
<u>Florida Department of Transportation:</u>				
County Incentive Grant Program:				
CIGP Agreement/NW 110th Ave Shoulder Widening				
FPN: 441805-1-54-01	55.008	GOW14	25,932	-
County Incentive Grant Program:				
CIGP Agreement/Sunset Harbor Rd @ US 441 Intersection				
FPN: 436407-2-54-01	55.008	GOL68	54,925	-
Total Florida Department of Transportation			<u>80,857</u>	<u>-</u>
<u>Florida Department of Health:</u>				
County Grant Awards	64.005	C6042	73,186	-
Total Florida Department of Health			<u>73,186</u>	<u>-</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018
MARION COUNTY, FLORIDA
(Concluded)**

State Grantor / Pass-Through Grantor / Program Title / Project Title	State CSFA Number	State Identification Number	State Expenditures Only	State Amount Provided to Subrecipients
<u>Florida Department of Law Enforcement:</u>				
Violent Crine and Drug Control Victim Witness Protection Program	71.006	N/A	825	-
Total Florida Department of Law Enforcement			825	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 3,988,783	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			\$ 10,759,265	\$ 1,509,645

Notes:

(1) Marion County received the following Local Government Water Supply Funding Assistance from WRWSA in FY18:

17-18 Local Government Water Supply Funding	N/A	N/A	13,757
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Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of Marion County, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements. Marion County received a negotiated cost rate for Federal Awards; therefore, Marion County did not elect the minimus rate 10% for determining indirect cost amount.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018
MARION COUNTY, FLORIDA**

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance Material to Financial Statements Noted?	No

Federal Awards and State Projects

Internal Control over Major Programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditors' Report Issued on Compliance for Major Programs	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with CFR 200.516(a), or Chapter 10.557 for Local Government Entities	No
Identification of Major Programs:	
Federal Program or Cluster	
U.S. Department of Transportation:	
Highway Planning and Construction	CFDA No. 20.205
State Projects	
Florida Department of Environmental Protection:	
Florida Springs Grant Program	CFSA No. 37.052
Florida Housing Finance Corporation:	
State Housing Initiatives Partnership (SHIP) Program	CFSA No. 40.901
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	\$750,000
Dollar threshold used to distinguish between Type A and Type B programs – State Projects	\$300,000
Auditee Qualified as Low-Risk Auditee Pursuant to the Uniform Guidance?	Yes

Other Issues

- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

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

The Honorable Board of the County Commissioners
Marion County, Florida
Ocala, Florida

We have examined Marion County, Florida's (the County) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 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 procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Council members, and applicable management, and is not intended to be, and should not be, used by anyone other than those specified parties.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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

The Honorable Board of the County Commissioners
Marion County, Florida
Ocala, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 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 procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

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

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Certified Public Accountants

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MANAGEMENT LETTER

The Honorable Board of the County Commissioners
Marion County, Florida
Ocala, Florida

Report of the Financial Statements

We have audited the basic financial statements of Marion County, Florida's (the County) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 6, 2019.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Reports on 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*. Disclosure in those reports and schedule, which are dated March 6, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 legal authority for the County and its component units is reported in Note 1 to the basic financial statements.

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Board of the County Commissioners
Marion County, Florida
Ocala, Florida

MANAGEMENT LETTER
(Concluded)

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires us to apply appropriate procedures and communicate the results of our determination, as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. 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 the review of the financial information provided by same.

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 such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with 218.39(b), Florida Statutes.

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, Federal and other granting agencies, the Board of the County Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray and Company, LLP

March 6, 2019
Ocala, Florida



CLERK OF THE CIRCUIT COURT AND COMPTROLLER
David R. Ellspermann

MARION COUNTY
IMPACT FEE AFFIDAVIT

As the Chief Financial Officer, I certify that the County of Marion County Florida has complied with Florida Statute 163.31801.

David R. Ellspermann

Date

Sworn to and subscribed before me this
4th of February, 2019.

Notary

Marion County Clerk of the Circuit Court and Comptroller

Post Office Box 1030 • Ocala, Florida 34478-1030 • Telephone (352) 671-5604 • Facsimile (352) 671-5600 • www.marioncountyclerk.org



SUPPORTING FINANCIAL STATEMENTS

The following Statements and Compliance Reports are presented to demonstrate compliance with the rules of the Auditor General of the State of Florida:

- CLERK OF THE CIRCUIT COURT AND COMPTROLLER
- PROPERTY APPRAISER
- SHERIFF
- SUPERVISOR OF ELECTIONS
- TAX COLLECTOR

**SPECIAL PURPOSE
FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**Marion County, Florida
Clerk of the Circuit Court and Comptroller**

**Year ended September 30, 2018
with Report of
Independent Certified Public Accountants**

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
OCALA, FLORIDA
SEPTEMBER 30, 2018**

CONTENTS

Independent Auditors' Report	1
Special Purpose Financial Statements	
Balance Sheet - Governmental Funds.....	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	6
Notes to Special Purpose Financial Statements	7
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	15
Public Records Trust Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	16
Court Related Technology Trust Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.....	17
Other Financial Information	
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds	18
Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds	20
Other Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing</i> Standards	25
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	27
Independent Accountants' Report on Compliance with Sections 28.35 and 28.36, Florida Statutes.....	28
Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes	29
Management Letter	30

INDEPENDENT AUDITORS' REPORT

Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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 of 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 Clerk'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 Clerk'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.

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Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Continued)

Auditors' Responsibility (Concluded)

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 Clerk as of September 30, 2018, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Incomplete Presentation

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* (the Rules) 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 each major fund and the aggregate remaining fund, only for that portion of the major funds, and the aggregate remaining fund information, of Marion County, Florida, that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Marion County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information listed as required supplementary information 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.

Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters (Concluded)

Other Financial Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Clerk'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 included under the heading Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Special Purpose Financial Statements

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2018

	Major Funds			Total Governmental Funds
	General Fund	Public Records Trust Fund	Court Related Technology Trust Fund	
Assets				
Cash and cash equivalents	\$ 2,273,941	\$ 540,117	\$ 880,735	\$ 3,694,793
Accounts receivable	1,917	-	-	1,917
Due from other funds	9,966	-	-	9,966
Due from Board of County Commissioners	2,220	-	-	2,220
Due from other governmental units	66,816	-	-	66,816
Prepaid items	88,235	56,276	203,077	347,588
Total Assets	\$ 2,443,095	\$ 596,393	\$ 1,083,812	\$ 4,123,300
Liabilities				
Accounts payable	170,968	-	1,536	172,504
Accrued liabilities	282,166	-	11,560	293,726
Due to Board of County Commissioners	80,325	-	-	80,325
Due to other governmental units	1,672,051	-	-	1,672,051
Deposits and other revenues collected in advance	7,656	-	-	7,656
Other current liabilities	229,929	-	-	229,929
Total Liabilities	2,443,095	-	13,096	2,456,191
Fund Balance (Deficit)				
Nonspendable Prepaid Items	88,235	56,276	203,077	347,588
Restricted for Records Modernization Technology	-	540,117	867,639	1,407,756
Unassigned:(Deficit)	(88,235)	-	-	(88,235)
Total Fund Balance	-	596,393	1,070,716	1,667,109
Total Liabilities and Fund Balance	\$ 2,443,095	\$ 596,393	\$ 1,083,812	\$ 4,123,300

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

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

YEAR ENDED SEPTEMBER 30, 2018

	Major Funds			Total Governmental Funds
	General Fund	Public Records Trust Fund	Court Related Technology Trust Fund	
Revenues:				
Charges for services	\$ 1,928,189	\$ 198,439	\$ 593,593	\$ 2,720,221
Court related revenues	4,258,391	-	-	4,258,391
Grant revenue	262,828	-	-	262,828
State shared revenue	218,441	-	-	218,441
Judgments and fines	1,951,287	-	-	1,951,287
Investment income	84,108	5,112	7,907	97,127
Miscellaneous revenue	86,581	-	-	86,581
Total Revenues	<u>8,789,825</u>	<u>203,551</u>	<u>601,500</u>	<u>9,594,876</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	4,472,814	-	-	4,472,814
Operating expenditures	1,013,137	87,649	-	1,100,786
Capital outlay	258,332	9,645	-	267,977
Court related:				
Salaries and benefits	5,221,839	-	338,430	5,560,269
Operating expenditures	292,280	-	261,098	553,378
Payments to State	663,890	-	-	663,890
Capital outlay	-	-	60,139	60,139
Total Expenditures	<u>11,922,292</u>	<u>97,294</u>	<u>659,667</u>	<u>12,679,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,132,467)</u>	<u>106,257</u>	<u>(58,167)</u>	<u>(3,084,377)</u>
Other Financing Sources and Uses:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	3,132,467	-	-	3,132,467
Total Other Financing Sources and Uses	<u>3,132,467</u>	<u>-</u>	<u>-</u>	<u>3,132,467</u>
Net Change in Fund Balance	-	106,257	(58,167)	48,090
Fund Balance, October 1, 2017	-	490,136	1,128,883	1,619,019
Fund Balance, September 30, 2018	<u>\$ -</u>	<u>\$ 596,393</u>	<u>\$ 1,070,716</u>	<u>\$ 1,667,109</u>

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

SEPTEMBER 30, 2018

Assets

Cash and cash equivalents	\$ 7,841,452
Accounts receivable	7,390
Due from Board of County Commissioners	<u>2,944</u>
Total Assets	<u><u>\$ 7,851,786</u></u>

Liabilities

Accounts (receivable) payable	\$ (4,389)
Due to other funds	9,966
Due to Board of County Commissioners	144,190
Due to other governmental units	811,016
Due to individuals	<u>6,891,003</u>
Total Liabilities	<u><u>\$ 7,851,786</u></u>

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2018

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity — The Marion County, Florida, Clerk of the Circuit Court and Comptroller (the Clerk) is an elected constitutional officer as provided by the Constitution of the State of Florida. The Clerk's budget is submitted to the Marion County Board of County Commissioners (the Board) for approval. The Board appropriates and distributes to the Clerk on a monthly basis funds necessary to operate the Clerk's office.

Any excess of appropriations received from the Board over actual expenditures for any fiscal year is required to be returned to the Board after the end of the fiscal year.

For financial reporting purposes, the Clerk is deemed to be a part of the primary government of Marion County, Florida (the County), and therefore, is included as such in the County's Comprehensive Annual Financial Report.

Basis of Presentation — The accompanying financial statements include all the funds and accounts of the Clerk's office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, Rules of the Auditor General – Local Government Entity Audits.

Per GASB Statement No. 54, governmental fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified below in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances.

Nonspendable fund balance – include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. Nonspendable in governmental fund types are for inventories and prepaid items.

Restricted fund balance – include amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and impact fees.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (*Continued*)

Committed fund balance – include amounts that can only be used for the specific purpose determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance – comprise of amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that the resources in other governmental funds are, at a minimum intended to be used for the purpose of that fund.

Unassigned fund balance – is the residual classification of the general fund only and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The Clerk utilizes the following fund types:

Governmental Funds:

Major Funds

- *The General Fund* – a governmental fund, is used to account for and report all financial resources of the Clerk not accounted for and reported in another fund. Revenues and expenditures are applicable to the general operations of the Clerk.
- *Public Records Trust Fund* – The Public Records Trust Fund is a special revenue fund used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Recording fees paid to the Clerk are restricted for records modernization.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies (*Continued*)

Governmental Funds: (*Concluded*)

- *Court Related Technology Trust Fund* – The Court Related Technology Trust Fund is a special revenue fund used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Recording fees are restricted for records modernization for court related technology needs of the Clerk.

Fiduciary Funds:

- *Agency Funds* – are used to account for assets received and held by the Clerk as an agent for individuals, private organizations and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position. The Clerk has numerous agency funds for varying purposes.

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

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when received in cash or when they become both measurable and available to finance expenditures of the current period. The Clerk considers receivables collected within 30 days after year end to be available and recognizes them as revenues of the current year. Receivables collected after 30 days are reported as a deferred inflow of resources until the revenue becomes available. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

Measurement Focus — The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included in the balance sheet. Governmental fund statements of changes present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (*Continued*)

Budgetary Requirement — On or before June 1 of each year, the Clerk submits a tentative budget for the ensuing fiscal year to the Board. The budget is adopted in the same manner as the budget of the Board.

A budget is legally adopted for the general fund, the public records trust fund, and the court related technology trust fund; and is on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is at the fund level. Budgetary changes within the funds are made at the discretion of the Clerk.

The budget for the public records trust fund and the court related technology trust fund is subject to a “nonappropriated budget” review and approval process, which is outside the Board’s normal “appropriated budget” process.

Budgetary Requirement Court Related Functions — Pursuant to Florida Statutes 28.36, on or before June 1 of each year, the Clerk must prepare a proposed budget for the County fiscal year beginning October 1 and submit it to the Florida Clerks of Court Operations Corporation (the Corporation). Pursuant to Florida Statutes 28.35(2)(f), the Corporation reviews and approves the Clerk’s proposed budget, and may also amend it as deemed necessary.

Refund of “Excess Fees” — The County funds a portion of the operating budget of the Clerk. Payment by the County to fund the operations of the Clerk is recorded as a transfer out in governmental fund types in the basic financial statements of the County, and as operating transfers in on the special purpose financial statements of the Clerk.

The Board requires that the excess of the County’s appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year. Repayments to the County are recorded as a reduction in other financing sources in the special purpose financial statements of the Constitutional Officer and as a reduction of transfers out in the financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due the Board.

All revenues derived from statutory fines, fees, service charges, and costs collected by the Clerk of the Court on behalf of the Department of Revenue (DOR), are to be retained by the Clerk and deposited into the Fine and Forfeiture Fund. By the 10th of the month following collection, the Clerk must submit the portion of filing fees in excess of 1/12 of the Clerk’s total budget along with the \$1 and \$4 filing fees. Unexpended collections (formerly known as settle-up excess fees) will be remitted no later than January 2019.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (*Concluded*)

Use of Estimates — The preparation of special purpose financial statements is in conformity with GAAP and requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the special purpose financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Title IV-D Grant — The program grant received by the Marion County Clerk of the Circuit Court and Comptroller's office is recorded in the applicable governmental fund as receivables and revenues monthly upon completion of the Clerk of the Circuit Court Child Support Depository Title IV-D Services Reimbursement Invoice. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

2. Deposit and Investments

Cash and Cash Equivalents — At September 30, 2018, the Clerk's carrying value of cash and cash equivalents totaled \$11,536,245. This includes the carrying amount of the Clerk's cash and deposit accounts of \$6,767,260. The Clerk's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. All of the Clerk's deposits are fully insured by the Public Deposit Trust Fund.

Investment Portfolio — On October 3, 2000, the Clerk formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits, issuer limits, credit ratings requirements, and maturity limits to protect the Clerk's cash and investment assets.

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The Clerk's investment policy allows for the following investments: The Florida State Board of Administration's Local Government Surplus Funds Trust Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Non-Negotiable Interest Bearing Time Certificates of Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Fixed Income Money Market Mutual Funds, and Intergovernmental Investment Pools.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

2. Deposit and Investments (Concluded)

Included in the cash and cash equivalents total at September 30, 2018, is \$4,768,985 invested with the Local Government Surplus Funds Trust Fund, an Investments Pool (the Surplus Funds Investment Pool), administered by the State Board of Administration of Florida.

The Surplus Funds Investment Pool met the criteria to be a “2a7-like” pool, as defined in GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, and is permitted to report investments at amortized cost, which is consistent with the regulations set forth in the Security and Exchange Commission’s Rule 2a7 of the Investment Company Act of 1940.

3. Capital Assets

The tangible personal property used by the Clerk in its governmental fund operations is reported as capital assets in the statement of net position as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the governmental fund types of the Clerk and capitalized at cost in the capital asset accounts of the County. The Clerk maintains custodial responsibility for the capital assets used by his office.

4. Accounts Payable

Accounts payable balances in the Clerk’s governmental funds are primarily payable to third-party vendors for goods received and services rendered.

5. Interfund Receivables and Payables and Transfers

Individual fund interfund receivables and payables at September 30, 2018, consist of the following:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 9,966	\$ -
Agency Funds:		
Registry of the Court Fund	-	893
Tax Deed Fund	-	4,661
Documentary Stamp Fund	-	2,777
Support Trust Fund	-	1,614
Foreclosure Fund	-	21
	\$ 9,966	\$ 9,966

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

6. Accumulated Compensated Absences

The amount of vested accumulated compensated absences payable (related to governmental fund activities) based upon the Clerk’s paid-time-off (PTO) policy is reported as a liability in the statement of net position in the County’s basic financial statements. That liability includes earned but unused vacation and sick time as well as FICA taxes and retirement contributions related thereto.

The change in accumulated compensated absences during the year is as follows:

Balance, September 30, 2017	\$ 666,522
Additions	506,829
Reductions	<u>(415,386)</u>
Balance, September 30, 2018	<u>\$ 757,965</u>

7. Postemployment Benefits Other Than Pensions

The Board offers post-retirement health care benefits and life insurance to all retired employees of the Clerk’s Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board’s financial statements. However, these retirees are receiving an “implicit subsidy” because the premium is a group rate which includes active, lower cost employees. This implicit subsidy has a cost which under GAAP is required to be disclosed in these financial statements. However, this annual cost, the accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Clerk’s Office. Accordingly, these calculations and disclosures are included in the Comprehensive Annual Financial Report of the County.

8. Retirement Plan

The Clerk participates in the Florida Retirement System for Pension Benefits. A detailed plan description and any liability for employees of the Clerk are included in the Comprehensive Annual Financial Report of the County.

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

9. Risk Management

The Clerk participates in the County risk management program. The Board maintains an Insurance Risk Management Internal Service Fund for health, life and disability, workers' compensation, general property and casualty and automobile claims. Payments to the Board for coverage are based on past experience of the amounts needed to pay current year claims. During the current year, the Clerk remitted \$1,651,092 to the Board for insurance coverage. Information regarding the program's coverage, self-insurance reserves and program administration are included in the Comprehensive Annual Financial Report of the County for the year ended September 30, 2018.

10. Litigation

From time to time, the office of the Clerk is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of legal counsel, the range of potential liabilities will not materially affect the operations of the Clerk's office or the financial position of the County, which would be required to fund any claims payments.

Required Supplementary Information

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

YEAR ENDED SEPTEMBER 30, 2018

	General Fund			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Charges for services	\$ 1,710,000	\$ 1,931,495	\$ 1,928,189	\$ (3,306)
Court related revenues	4,198,674	4,268,674	4,258,391	(10,283)
Grant revenue	243,864	243,864	262,828	18,964
State shared revenue	257,853	257,853	218,441	(39,412)
Judgments and fines	1,572,734	1,929,760	1,951,287	21,527
Investment income	20,242	75,524	84,108	8,584
Miscellaneous revenue	71,604	71,958	86,581	14,623
Total Revenues	8,074,971	8,779,128	8,789,825	10,697
Expenditures:				
Current:				
General government:				
Salaries and benefits	4,672,430	4,503,709	4,472,814	30,895
Operating expenditures	546,805	1,055,473	1,013,137	42,336
Capital outlay	4,861	258,768	258,332	436
Reserved for contingencies	167,698	975	-	975
Court related:				
Salaries and benefits	5,501,459	5,501,459	5,221,839	279,620
Operating expenditures	238,559	238,559	292,280	(53,721)
Payments to State	-	427,026	663,890	(236,864)
Total Expenditures	11,131,812	11,985,969	11,922,292	63,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,056,841)	(3,206,841)	(3,132,467)	74,374
Other Financing Sources and Uses:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	3,056,841	3,206,841	3,132,467	(74,374)
Total Other Financing Sources (Uses)	3,056,841	3,206,841	3,132,467	(74,374)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2017	-	-	-	-
Fund Balance, September 30, 2018	\$ -	\$ -	\$ -	\$ -

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**PUBLIC RECORDS TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

YEAR ENDED SEPTEMBER 30, 2018

	Public Records Trust Fund			Variance with Final Budget
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Charges for services	\$ 184,000	\$ 184,000	\$ 198,439	\$ 14,439
Investment income	1,100	1,100	5,112	4,012
Total Revenues	<u>185,100</u>	<u>185,100</u>	<u>203,551</u>	<u>18,451</u>
Expenditures:				
Current:				
General government:				
Operating expenditures	234,809	234,809	87,649	147,160
Capital outlay	-	-	9,645	(9,645)
Total Expenditures	<u>234,809</u>	<u>234,809</u>	<u>97,294</u>	<u>137,515</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(49,709)</u>	<u>(49,709)</u>	<u>106,257</u>	<u>155,966</u>
Other Financing Sources and Uses:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(49,709)	(49,709)	106,257	155,966
Fund Balance, October 1, 2017	<u>49,709</u>	<u>49,709</u>	<u>490,136</u>	<u>440,427</u>
Fund Balance, September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 596,393</u>	<u>\$ 596,393</u>

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COURT RELATED TECHNOLOGY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

YEAR ENDED SEPTEMBER 30, 2018

Court Related Technology Trust Fund				
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 550,000	\$ 550,000	\$ 593,593	\$ 43,593
Investment income	3,300	3,300	7,907	4,607
Total Revenues	553,300	553,300	601,500	48,200
Expenditures:				
Current:				
Court related:				
Salaries and benefits	339,940	339,940	338,430	1,510
Operating expenditures	719,284	719,284	261,098	458,186
Non-operating expenses	88,188	88,188	-	88,188
Capital outlay	15,601	15,601	60,139	(44,538)
Total Expenditures	1,163,013	1,163,013	659,667	503,346
Excess (Deficiency) of Revenues Over (Under) Expenditures	(609,713)	(609,713)	(58,167)	551,546
Other Financing Sources and Uses:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(609,713)	(609,713)	(58,167)	551,546
Fund Balance, October 1, 2017	609,713	609,713	1,128,883	519,170
Fund Balance, September 30, 2018	\$ -	\$ -	\$ 1,070,716	\$ 1,070,716

Other Financial Information

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

SEPTEMBER 30, 2018

	Agency Funds			
	Registry of the Court Fund	Tax Deed Fund	Documentary Stamp Fund	Support Trust Fund
Assets				
Cash and cash equivalents	\$ 2,105,338	\$ 3,182,837	\$ 555,381	\$ 3,667
Accounts receivable	-	-	-	7,390
Due from Board of County Commissioners	-	-	-	-
Total Assets	\$ 2,105,338	\$ 3,182,837	\$ 555,381	\$ 11,057
Liabilities				
Accounts (receivable) payable	\$ -	\$ (4,661)	\$ (2,777)	\$ -
Due to other funds	893	4,661	2,777	1,614
Due to Board of County Commissioners	-	-	-	-
Due to other governmental units	15,569	-	555,381	13,817
Due to individuals	2,088,876	3,182,837	-	(4,374)
Total Liabilities	\$ 2,105,338	\$ 3,182,837	\$ 555,381	\$ 11,057

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

SEPTEMBER 30, 2018

(Concluded)

	<u>Agency Funds</u>				<u>Totals</u>
	<u>Jury and Witness Payroll Fund</u>	<u>General Trust Fund</u>	<u>Cash Appearance Bond Fund</u>	<u>Foreclosure Fund</u>	
Assets					
Cash and cash equivalents	\$ 9,765	\$ 636,246	\$ 442,348	\$ 905,870	\$ 7,841,452
Accounts receivable	-	-	-	-	7,390
Due from Board of County Commissioners	-	2,944	-	-	2,944
Total Assets	<u>\$ 9,765</u>	<u>\$ 639,190</u>	<u>\$ 442,348</u>	<u>\$ 905,870</u>	<u>\$ 7,851,786</u>
Liabilities					
Accounts (receivable) payable	-	\$ 2,944	-	\$ 105	\$ (4,389)
Due to other funds	-	-	-	21	9,966
Due to Board of County Commissioners	-	144,190	-	-	144,190
Due to other governmental units	9,765	216,484	-	-	811,016
Due to individuals	-	275,572	442,348	905,744	6,891,003
Total Liabilities	<u>\$ 9,765</u>	<u>\$ 639,190</u>	<u>\$ 442,348</u>	<u>\$ 905,870</u>	<u>\$ 7,851,786</u>

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2018

	<u>Balance September 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
REGISTRY OF THE COURT FUND				
ASSETS				
Cash and cash equivalents	\$ 1,329,198	\$ 18,272,629	\$ 17,496,489	\$ 2,105,338
LIABILITIES				
Due to other funds	\$ 170	\$ 291,055	\$ 290,332	\$ 893
Due to other governmental units	14,638	2,051	1,120	15,569
Due to individuals	1,314,390	17,979,523	17,205,037	2,088,876
Total Liabilities	<u>\$ 1,329,198</u>	<u>\$ 18,272,629</u>	<u>\$ 17,496,489</u>	<u>\$ 2,105,338</u>
TAX DEED FUND				
ASSETS				
Cash and cash equivalents	\$ 1,939,857	\$ 4,830,995	\$ 3,588,015	\$ 3,182,837
LIABILITIES				
Accounts (receivable) payable	\$ (268)	\$ 268	\$ 4,661	(4,661)
Due to other funds	268	4,661	268	4,661
Due to individuals	1,939,857	4,826,066	3,583,086	3,182,837
Total Liabilities	<u>\$ 1,939,857</u>	<u>\$ 4,830,995</u>	<u>\$ 3,588,015</u>	<u>\$ 3,182,837</u>

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2018

(Continued)

	<u>Balance September 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
DOCUMENTARY STAMP FUND				
ASSETS				
Cash and cash equivalents	\$ 430,909	\$ 29,959,187	\$ 29,834,715	\$ 555,381
LIABILITIES				
Accounts (receivable) payable	\$ (2,154)	\$ 2,154	\$ 2,777	\$ (2,777)
Due to other funds	2,154	2,777	2,154	2,777
Due to other governmental units	430,909	29,954,256	29,829,784	555,381
Total Liabilities	<u>\$ 430,909</u>	<u>\$ 29,959,187</u>	<u>\$ 29,834,715</u>	<u>\$ 555,381</u>
SUPPORT TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 4,616	\$ 668,852	\$ 669,801	\$ 3,667
Accounts receivable	7,073	1,000	683	7,390
Total Assets	<u>\$ 11,689</u>	<u>\$ 669,852</u>	<u>\$ 670,484</u>	<u>\$ 11,057</u>
LIABILITIES				
Accounts (receivable) payable	\$ 383	\$ -	\$ 383	\$ -
Due to other funds	1,558	24,025	23,969	1,614
Due to other governmental units	14,122	17,438	17,743	13,817
Due to individuals	(4,374)	628,389	628,389	(4,374)
Total Liabilities	<u>\$ 11,689</u>	<u>\$ 669,852</u>	<u>\$ 670,484</u>	<u>\$ 11,057</u>

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2018

(Continued)

	<u>Balance September 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
JURY AND WITNESS PAYROLL FUND				
ASSETS				
Cash and cash equivalents	\$ 5,370	\$ 84,480	\$ 80,085	\$ 9,765
LIABILITIES				
Accounts (receivable) payable	\$ -	\$ 79,815	\$ 79,815	\$ -
Due to other governmental units	5,370	4,665	270	9,765
Total Liabilities	<u>\$ 5,370</u>	<u>\$ 84,480</u>	<u>\$ 80,085</u>	<u>\$ 9,765</u>
GENERAL TRUST FUND				
ASSETS				
Cash and cash equivalents	\$ 749,745	\$ 7,849,762	\$ 7,963,261	\$ 636,246
Due from other funds	20	-	20	-
Due from Board of County Commissioners	6,016	2,944	6,016	2,944
Total Assets	<u>\$ 755,781</u>	<u>\$ 7,852,706</u>	<u>\$ 7,969,297</u>	<u>\$ 639,190</u>
LIABILITIES				
Accounts (receivable) payable	\$ 6,286	\$ 3,327	\$ 6,669	\$ 2,944
Due to Board of County Commissioners	138,302	2,293,436	2,287,548	144,190
Due to other governmental units	350,649	5,068,982	5,203,147	216,484
Due to individuals	260,544	486,961	471,933	275,572
Total Liabilities	<u>\$ 755,781</u>	<u>\$ 7,852,706</u>	<u>\$ 7,969,297</u>	<u>\$ 639,190</u>

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2018

(Continued)

	<u>Balance September 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
CASH APPEARANCE BOND FUND				
ASSETS				
Cash and cash equivalents	\$ 295,009	\$ 465,678	\$ 318,339	\$ 442,348
LIABILITIES				
Due to individuals	\$ 295,009	\$ 465,678	\$ 318,339	\$ 442,348
 FORECLOSURE FUND				
ASSETS				
Cash and cash equivalents	\$ 1,077,595	\$ 6,176,538	\$ 6,348,263	\$ 905,870
LIABILITIES				
Accounts (receivable) payable	\$ 45	\$ 105	\$ 45	\$ 105
Due to other funds	9	987	975	21
Due to individuals	1,077,541	6,175,446	6,347,243	905,744
Total Liabilities	\$ 1,077,595	\$ 6,176,538	\$ 6,348,263	\$ 905,870

**MARION COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2018

(Concluded)

	<u>Balance September 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 5,832,299	\$ 68,308,121	\$ 66,298,968	\$ 7,841,452
Accounts receivable	7,073	1,000	683	7,390
Due from other funds	20	-	20	-
Due from Board of County Commissioners	6,016	2,944	6,016	2,944
	<u>6,016</u>	<u>2,944</u>	<u>6,016</u>	<u>2,944</u>
Total Assets	<u>\$ 5,845,408</u>	<u>\$ 68,312,065</u>	<u>\$ 66,305,687</u>	<u>\$ 7,851,786</u>
LIABILITIES				
Accounts (receivable) payable	\$ 4,292	\$ 85,669	\$ 94,350	\$ (4,389)
Due to other funds	4,159	323,505	317,698	9,966
Due to Board of County Commissioners	138,302	2,293,436	2,287,548	144,190
Due to other governmental units	815,688	35,047,392	35,052,064	811,016
Due to individuals	4,882,967	30,562,063	28,554,027	6,891,003
	<u>4,882,967</u>	<u>30,562,063</u>	<u>28,554,027</u>	<u>6,891,003</u>
Total Liabilities	<u>\$ 5,845,408</u>	<u>\$ 68,312,065</u>	<u>\$ 66,305,687</u>	<u>\$ 7,851,786</u>

Other Reports

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

Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special purpose financial statements of each major fund, and the aggregate remaining fund information of Marion County, Florida, Clerk of the Circuit Court and Comptroller (the Clerk) as of and for the year ended September 30, 2018, and the related notes to the special purpose financial statements, which collectively comprise the Clerk's basic financial statements, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

Internal Control Over Financial Reporting

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

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

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

Internal Control Over Financial Reporting (*Concluded*)

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 Clerk'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 Clerk'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 Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

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

Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

We have examined the Marion County, Florida, Clerk of the Circuit Court and Comptroller's (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk 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 Clerk's compliance with specified requirements.

In our opinion, the Clerk 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 the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Clerk, its management, and the Board of County Commissioners of Marion County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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

Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

We have examined the Marion County, Florida, Clerk of the Circuit Court and Comptroller's (the Clerk) compliance with the requirements of Sections 28.35 and 28.36, Florida Statutes, as of and for the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk 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 Clerk's compliance with specified requirements.

In our opinion, the Clerk 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 the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Clerk, its management, and the Board of County Commissioners of Marion County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Certified Public Accountants

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

Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

We have examined the Marion County, Florida, Clerk of the Circuit Court and Comptroller's (the Clerk) compliance with the requirements of Section 61.181, Florida Statutes, as of and for the year ended September 30, 2018, as required by Sections 10.556(10)(d) and 10.557(3)(c), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk 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 Clerk's compliance with specified requirements.

In our opinion, the Clerk 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 the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Clerk, its management, and the Board of County Commissioners of Marion County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

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MANAGEMENT LETTER

Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of the Marion County, Florida, Clerk of the Circuit Court and Comptroller (the Clerk) as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

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 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 *Governmental 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 March 6, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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. (See Note 1 of the accompanying financial statements).

Certified Public Accountants

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Honorable David Ellspermann
Marion County Clerk of the Circuit Court and
Comptroller
Marion County, Florida

MANAGEMENT LETTER
(Concluded)

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 Clerk, its management, and the Board of County Commissioners of Marion County, Florida, 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 our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida



**SPECIAL PURPOSE FINANCIAL
STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**Marion County, Florida
Property Appraiser**

**Year Ended September 30, 2018, with Report of
Independent Certified Public Accountants**

**SPECIAL PURPOSE
FINANCIAL
STATEMENTS AND
INDEPENDENT AUDITORS'
REPORTS**

**MARION COUNTY PROPERTY APPRAISER
MARION COUNTY, FLORIDA
OCALA, FLORIDA
SEPTEMBER 30, 2018**

CONTENTS

Independent Auditors' Report	1
Special Purpose Financial Statements	
General Fund Balance Sheet	4
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance.....	5
Notes to Special Purpose Financial Statements	6
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual	12
Other Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	15
Management Letter	16

INDEPENDENT AUDITORS' REPORT

Honorable Villie M. Smith
Marion County Property Appraiser
Marion County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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 of 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 Property Appraiser'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 Property Appraiser'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.

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Honorable Villie M. Smith
Marion County Property Appraiser
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) 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 general fund only for that portion of the general fund of Marion County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Marion County, Florida, as of September 30, 2018, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information listed as required supplementary information 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.

Honorable Villie M. Smith
Marion County Property Appraiser
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters included under the heading Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Special Purpose
Financial Statements

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

GENERAL FUND BALANCE SHEET

SEPTEMBER 30, 2018

Assets

Cash and cash equivalents	\$ 190,432
Prepays	<u>59,280</u>
Total Assets	<u><u>\$ 249,712</u></u>

Liabilities and Fund Balance

Liabilities:

Accrued liabilities	\$ 57,853
Due to Board of County Commissioners	188,233
Due to other governmental units	<u>3,626</u>
Total Liabilities	<u><u>249,712</u></u>

Fund Balance:

Nonspendable	
Prepaid items	59,280
Unassigned	<u>(59,280)</u>
Total Fund Balance	<u><u>-</u></u>

Total Liabilities and Fund Balance	<u><u>\$ 249,712</u></u>
------------------------------------	--------------------------

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

YEAR ENDED SEPTEMBER 30, 2018

Revenues:		
Charges for services:		
Commissions	\$	918,302
Interest income		696
Total Revenues		<u>918,998</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits		3,582,386
Operating expenditures		495,882
Capital outlay		4,845
Total Expenditures		<u>4,083,113</u>
Deficiency of Revenues Under Expenditures		(3,164,115)
Other Financing Sources:		
Operating transfers in - Board of County Commissioners, net of excess budget fees		<u>3,164,115</u>
Total Other Financing Sources		<u>3,164,115</u>
Net Change in Fund Balance		-
Fund Balance, October 1, 2017		<u>-</u>
Fund Balance, September 30, 2018	\$	<u><u>-</u></u>

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity – The Marion County, Florida, Property Appraiser (the Property Appraiser) is an elected official established pursuant to Article VIII, Section 1(d) of the Constitution of the State of Florida. The Property Appraiser’s financial statements do not purport to reflect the financial position or the results of operations of Marion County, Florida, (the County) taken as a whole.

Fees earned by the Property Appraiser (generally equal to the amount of the amended budget) are billed quarterly to the Board and other governmental agencies in proportion to prior year taxes levied, or in the case of non-ad valorem districts, by other reasonable methods. By statute, municipalities and school boards are exempt.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Property Appraiser’s Office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. For financial statement purposes, the Property Appraiser is deemed to be part of the primary government of the County and, therefore, is included as such in the Marion County, Florida, Comprehensive Annual Financial Report.

Basis of Presentation – The accompanying financial statements include all the funds and accounts of the Property Appraiser’s office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General – Local Governmental Entity Audits*.

Governmental fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified below in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances.

Nonspendable fund balance – include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. Nonspendable in governmental fund types are for inventories and prepaid items.

Restricted fund balance – include amounts that can be spent only for the specific purposes stipulated by external resources providers either constitutionally or through enabling legislation. Examples include grants and impact fees.

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Continued*)

Committed fund balance – include amounts that can be only used for the specific purpose determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance – comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that the resources in other governmental funds are, at a minimum intended to be used for the purpose of that fund.

Unassigned fund balance – is the residual classification of the general fund only and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The Property Appraiser utilizes the following fund type:

Governmental Fund:

Major Fund

- *The General Fund* is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser.

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

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid.

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Concluded*)

Measurement Focus – The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Budgetary Requirement – Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the general fund, and is on a basis consistent with accounting principles generally accepted in the United States. Budgetary control is at the expenditure classification level (personnel services, operating expenditures, capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Property Appraiser. Amendments between expenditure classes must be submitted to the State of Florida Department of Revenue.

Refund of “Excess Fees” – Florida Statutes provide that the excess of the Property Appraiser’s fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the Board of County Commissioners and other governmental agencies.

The County funds a major portion of the operating budgets of the County’s Constitutional Officers. The payments by the County to fund the operations of the Property Appraiser are recorded as a transfer out in the basic financial statements of the County, and as other financing sources in the special purpose financial statements of the Constitutional Officer.

Repayments to the County are recorded as a reduction of transfers out in the basic financial statements of the Constitutional Officer and as a reduction of transfers out in the basic financial statements of the County.

Use of Estimates – The preparation of special purpose financial statements is in conformity with GAAP and requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the special purpose financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

2. Deposits and Investments

Cash and Cash Equivalents – At September 30, 2018, the carrying amount of the Property Appraiser’s cash deposit accounts was \$190,432. The Property Appraiser’s cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. All of the Property Appraiser’s deposits are fully insured by the Public Deposit Trust Fund.

3. Capital Assets

The tangible personal property used by the Property Appraiser is reported as capital assets in the statement of net assets as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the general fund of the Property Appraiser and capitalized at cost in the capital assets accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

4. Accrued Liabilities

Accrued liabilities consist of the accrued payroll and related payroll taxes and benefits.

5. Accumulated Compensated Absences

The amount of vested accumulated compensated absences payable based upon the Property Appraiser’s annual leave and sick leave policy is reported as a liability in the statement of net assets in the County’s basic financial statements. The change in accumulated compensated absences during the year is as follows:

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018
Accumulated compensated absences	\$268,004	\$272,636	\$265,897	\$274,743

The amount recorded represents vested annual Personal Time Off (PTO) vacation and old sick bank leave to employees in varying amounts. Employees may carry over a maximum of 480 PTO hours from one calendar year to the next. Payment of accrued PTO may be authorized at the employee’s current rate of pay if specific requirements are met. Upon termination of employment, employees are paid for accrued PTO time and, if applicable, one-third of the balance of old sick bank hours will be paid to employees with 6 or more years of continuous and creditable service in an established position in the Property Appraiser’s office.

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Concluded)

6. Post-Employment Benefits Other than Pensions

The Board offers post-retirement health care benefits and life insurance to all retired employees of the Property Appraiser’s Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board’s financial statements. However, these retirees are receiving an “implicit subsidy” because the premium is a group rate which includes active, lower cost employees. This implicit subsidy has a cost which under GAAP is required to be disclosed in these financial statements. However, this annual cost, the accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Property Appraiser’s Office. Accordingly, these calculations and disclosures can be found in the Comprehensive Annual Financial Report of the County.

7. Retirement Plan

The Marion County Property Appraiser participates in the Florida Retirement System for Pension Benefits. A detailed plan description and any liability for employees of the Marion County Property Appraiser are included in the Comprehensive Annual Financial Report of the County.

8. Operating Leases

The Property Appraiser has entered into eight 36 month leases for thirteen vehicles, one 48 month copier lease, one 60 month lease for six copiers, and one 48 month lease for a postage mailing system. Total rental expenditures for the year ended September 30, 2018, were \$55,602. The following is a schedule by years of minimum future rentals on the noncancellable operating leases as of September 30, 2018.

Year Ending September 30,	
2019	\$ 20,436
2020	9,395
2021	9,395
2022	<u>3,914</u>
	<u>\$ 43,140</u>

9. Risk Management

The Property Appraiser participates in the Marion County risk management program. The Board of County Commissioners maintains an Insurance Risk Management Internal Service Fund for workers’ compensation, general property and casualty and automobile claims. Payments to the Board for coverage are based on past experience of the amounts needed to pay current year claims. During the current year, the Property Appraiser remitted \$457,937 to the Board for insurance coverage. Information regarding the program’s coverage, self-insurance reserves, and program administration can be found in the Comprehensive Annual Financial Report of the County.

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (*Concluded*)

10. Litigation

From time to time, there are lawsuits pending against the Property Appraiser. These usually involve the valuation and assessment of real properties in the County and the denial of exemptions. The Property Appraiser and legal counsel are of the opinion that the outcome of these suits will not have a material adverse effect on the financial position of the Property Appraiser.

Required Supplementary Information

**MARION COUNTY, FLORIDA
PROPERTY APPRAISER**

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

YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services:				
Commissions	\$ 909,605	\$ 909,605	\$ 918,302	\$ 8,697
Investment income	-	-	696	696
Total Revenues	<u>909,605</u>	<u>909,605</u>	<u>918,998</u>	<u>9,393</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	3,673,876	3,731,468	3,582,386	149,082
Operating expenditures	477,843	524,266	495,882	28,384
Capital outlay	-	4,845	4,845	-
Reserve for contingencies	107,196	5,000	-	5,000
Total Expenditures	<u>4,258,915</u>	<u>4,265,579</u>	<u>4,083,113</u>	<u>182,466</u>
(Deficiency) Excess of Revenues (Under) Over Expenditures	<u>(3,349,310)</u>	<u>(3,355,974)</u>	<u>(3,164,115)</u>	<u>191,859</u>
Other Financing Sources and Uses:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	<u>3,349,310</u>	<u>3,355,974</u>	<u>3,164,115</u>	<u>(191,859)</u>
Total Other Financing Sources and Uses	<u>3,349,310</u>	<u>3,355,974</u>	<u>3,164,115</u>	<u>(191,859)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Other Reports

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

Honorable Villie M. Smith
Marion County Property Appraiser
Marion County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special purpose financial statements of the Marion County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2018, and the related notes to the special purpose financial statements, which collectively comprise the Property Appraiser's basic financial statements, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Property Appraiser'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.

Certified Public Accountants

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Honorable Villie M. Smith
Marion County Property Appraiser
Marion County, Florida

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

Internal Control Over Financial Reporting (Concluded)

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

Compliance and Other Matters

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

Purpose of this Report

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

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

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

Honorable Villie M. Smith
Marion County Property Appraiser
Marion County, Florida

We have examined Marion County, Florida, Property Appraiser's (the Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk 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 Property Appraiser's compliance with specified requirements.

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

This report 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 Property Appraiser, its management, and the Board of County Commissioners of Marion County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

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MANAGEMENT LETTER

Honorable Villie M. Smith
Marion County Property Appraiser
Marion County, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of the general fund of the Marion County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2018, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with *Governmental 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 March 6, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 (see Note 1 of the accompanying financial statements).

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Honorable Villie M. Smith
Marion County Property Appraiser
Marion County, Florida

MANAGEMENT LETTER
(Concluded)

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we address in the management letter 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 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 have 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 Property Appraiser, its management, and the Board of County Commissioners of Marion County, Florida, 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 our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION**

**Marion County, Florida
Sheriff**

**Year ended September 30, 2018,
with Report of
Independent Certified Public Accountants**

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

**MARION COUNTY SHERIFF
MARION COUNTY, FLORIDA
OCALA, FLORIDA
SEPTEMBER 30, 2018
CONTENTS**

Independent Auditors' Report	1
Special Purpose Financial Statements	
Balance Sheet - Governmental Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	5
Statement of Fiduciary Assets and Liabilities - All Agency Funds.....	6
Notes to Special Purpose Financial Statements.....	7
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	16
MSTU Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.....	17
Other Financial Information	
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds	18
Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds.....	19
Other Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	21
Independent Auditors' Report on Compliance with Section 218.415, Florida Statutes.....	23
Management Letter.....	24

INDEPENDENT AUDITORS' REPORT

Honorable Billy Woods
Marion County Sheriff
Marion County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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 of 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 Sheriff'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 Sheriff'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.

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Honorable Billy Woods
Marion County Sheriff
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Continued)

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 Sheriff as of September 30, 2018, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) 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 each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Marion County, Florida, that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Marion County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, 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.

Honorable Billy Woods
Marion County Sheriff
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters *(Concluded)*

Other Financial Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters included under the heading Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special Purpose Financial Statements Performed in Accordance with *Governmental Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Special Purpose
Financial Statements

**MARION COUNTY, FLORIDA
SHERIFF**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2018

	Major Funds		Total
Assets	General	MSTU	Governmental Funds
Cash and cash equivalents	\$ 2,849,418	\$ 2,271,657	\$ 5,121,075
Due from Board of County Commissioners	4,180	18,765	22,945
Accounts receivable	255,650	255,075	510,725
	\$ 3,109,248	\$ 2,545,497	\$ 5,654,745
Liabilities			
Liabilities			
Accounts payable	\$ 378,528	\$ 296,943	\$ 675,471
Due to Board of County Commissioners	1,782,510	1,128,377	2,910,887
Due to individuals	948,210	1,120,177	2,068,387
Total Liabilities	\$ 3,109,248	\$ 2,545,497	\$ 5,654,745
Fund Balance			
Unassigned	-	-	-
Total Fund Balance	-	-	-
Total Liabilities and Fund Balance	\$ 3,109,248	\$ 2,545,497	\$ 5,654,745

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
SHERIFF**

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

YEAR ENDED SEPTEMBER 30, 2018

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>MSTU</u>	
Revenues:			
Miscellaneous revenue	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
General government:			
Salaries and benefits	1,632,345	-	1,632,345
Other operating	75,218	-	75,218
Public safety:			
Salaries and benefits	24,609,887	29,746,444	54,356,331
Other operating	13,779,092	6,757,827	20,536,919
Total operating expenditures	<u>40,096,542</u>	<u>36,504,271</u>	<u>76,600,813</u>
Capital outlay	711,720	3,502,466	4,214,186
Total Expenditures	<u>40,808,262</u>	<u>40,006,737</u>	<u>80,814,999</u>
Deficiency of Revenues			
Under Expenditures	<u>(40,808,262)</u>	<u>(40,006,737)</u>	<u>(80,814,999)</u>
Other Financing Sources:			
Operating transfers in - Board of County Commissioners, net of excess budget fees	40,808,262	40,006,737	80,814,999
Total Other Financing Sources	<u>\$ 40,808,262</u>	<u>\$ 40,006,737</u>	<u>\$ 80,814,999</u>
Net Change in Fund Balance	-	-	-
Fund Balance, October 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
SHERIFF**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

SEPTEMBER 30, 2018

Assets

Cash	\$ 1,209,995
Due from individuals	89,899
Due from other governmental funds	<u>36</u>
Total Assets	<u><u>\$ 1,299,930</u></u>

Liabilities

Due to Board of County Commissioners	\$ 57,590
Due to individuals	34,616
Due to others	1,143,366
Due to other governmental funds	<u>64,358</u>
Total Liabilities	<u><u>\$ 1,299,930</u></u>

MARION COUNTY, FLORIDA
SHERIFF

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity— The Marion County, Florida, Sheriff (the Sheriff) is an elected constitutional officer as provided by the Constitution of the State of Florida. The Sheriff’s budget is submitted to the Marion County Board of County Commissioners (the Board) for approval. The Board appropriates and distributes to the Sheriff on a monthly basis funds necessary to operate the Sheriff’s office. Any excess of appropriations received from the Board over actual expenditures for any fiscal year is required to be returned to the Board after the end of the fiscal year.

For financial reporting purposes, the Sheriff is deemed to be a part of the primary government of Marion County, Florida (the County), and therefore, is included as such in the Marion County, Florida, Comprehensive Annual Financial Report.

Basis of Presentation— These special purpose financial statements include all the funds and accounts of the Sheriff’s office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America. The accompanying special purpose financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General – Local Governmental Entity Audits*.

Governmental fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified below in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances.

Nonspendable fund balance – include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. Nonspendable in governmental fund types are for inventories and prepaid items.

Restricted fund balance – include amounts that can be spent only for the specific purposes stipulated by external resources providers either constitutionally or through enabling legislation. Examples include grants and impact fees.

Committed fund balance – include amounts that can be only used for the specific purpose determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance – include amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that the resources in other governmental funds are, at a minimum intended to be used for the purpose of that fund.

MARION COUNTY, FLORIDA
SHERIFF

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Continued*)

Unassigned fund balance – is the residual classification of the general fund only and includes all amounts not contained in other classifications. Unassigned amounts are available for any purpose.

The Sheriff utilizes the following fund types:

Governmental Funds:

- *Major Funds*
 - *The General Fund* — The general fund, is used to account for all financial resources of the Sheriff, except for those transactions which are accounted for in another fund.
 - *Municipal Services Taxing Unit Fund* — The MSTU fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Fiduciary Funds:

- *Agency Funds* — The agency funds are used to account for assets received and held by the Sheriff as an agent for individuals, governmental agencies and other public organizations. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

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

Governmental and Agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The appropriations from the Board are the primary revenue source considered to be susceptible to accrual. Expenditures are recognized when the related fund liability is incurred.

The Sheriff considers receivables collected within 30 days after year-end to be available and recognizes them as revenues of the current year.

Measurement Focus — The accounting and financial reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

MARION COUNTY, FLORIDA
SHERIFF

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Continued*)

Cash and Cash Equivalents — All funds participate in the Sheriff's pooled cash and investment program. Each fund's equity in the Sheriff's investment pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Capital Assets — Capital assets, which include vehicles and equipment, are recorded as capital outlay expenditures in the Governmental Funds at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net assets as part of the basic financial statements of the County (statement of net assets). Capital assets acquired under capital leases are capitalized at cost in the statement of net assets at the time the assets are received. Donated and confiscated capital assets are recorded in the statement of net assets at fair value at the time received. Capital assets are depreciated using the straight-line method over three to seven years. The depreciation expense is recorded in the statement of activities as part of the basic financial statements of the County.

Compensated Absences — It is the Sheriff's policy to permit employees to accumulate a limited amount of leave hours which will be paid to employees upon separation from County service. In the governmental funds, only the amounts that would be liquidated with expendable available resources are accrued as current year expenditures. Compensated absences liabilities that exceed this amount are reported as a liability in the County's basic financial statements.

Appropriations From the Board of County Commissioners and Refund of Excess Fees — The County funds the majority of the operations of the Sheriff. The payments by the County to fund the operations of the Sheriff are recorded as a transfer out in the basic financial statements of the County, and as other financing sources in the special purpose financial statements of the Constitutional Officer.

The Board requires that the excess of the County appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year. Repayments to the County are recorded as a reduction in other financing sources in the special purpose financial statements of the Constitutional Officer and as a reduction of transfers out in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due the Board of County Commissioners.

Use of Estimates — The preparation of special purpose financial statements is in conformity with GAAP and requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the special purpose financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

MARION COUNTY, FLORIDA
SHERIFF

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

2. Budgetary Process

On or before June 1 of each year, the Sheriff submits a tentative budget for the ensuing fiscal year to the Board. The budget of the general fund is then adopted in the same manner as the budget of the Board.

A budget is legally adopted for the general fund and the MSTU fund and is on a basis consistent with accounting principles generally accepted in the United States of America.

Budgetary control is exercised at the expenditure classification level (personal services, operating expenditures, and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Sheriff.

3. Deposits and Investments

Cash and Cash Equivalents — At September 30, 2018, the carrying amount of the Sheriff’s cash deposit accounts was \$6,331,070. The Sheriff’s cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. All of the Sheriff’s deposits are fully insured by the Public Deposit Trust Fund.

Evidence Fund Account — The Sheriff’s policy is to deposit cash received into evidence in an account at SunTrust Bank. The Evidence Fund account balance at September 30, 2018, was \$178,200. Included in the Evidence Fund balance is accrued interest of \$1,815 due to the Board at September 30, 2018. These balances are not included in the balance sheet and not included above.

4. Capital Assets

The tangible personal property used by the Sheriff in its governmental fund operations, is reported as capital assets in the statement of net assets as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the governmental fund types of the Sheriff and capitalized at cost in the capital asset accounts of the County. The Sheriff maintains recordkeeping and custodial responsibility for certain tangible capital assets used by his office. Information on vehicles and equipment used in the operations of the Sheriff’s office are presented below.

	<u>October 1, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>September 30, 2018</u>
Vehicle and equipment	\$ 37,987,498	\$ 10,692,910	\$ (7,744,034)	\$ 40,936,374
Accumulated depreciation	(25,535,445)	\$ (4,491,256)	\$ 7,296,090	\$ (22,730,611)
Capital assets, net	<u>\$ 12,452,053</u>	<u>\$ 6,201,654</u>	<u>\$ (447,944)</u>	<u>\$ 18,205,763</u>

MARION COUNTY, FLORIDA
SHERIFF

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

4. Capital Assets (Concluded)

The Sheriff's administration and operations buildings, fleet facility, and jail are provided by the Board to the Sheriff at no cost.

The Board transferred vehicles, radios, and capital asset accessories totaling \$5,316,303 to the Sheriff during the year ended September 30, 2018. These capital assets were purchased by the Board using the \$0.01 sales tax proceeds. These assets are included in the increase in vehicle and equipment from the preceding table.

Total depreciation expense reported in the financial statements of the County for Sheriff's capital assets for the year ended September 30, 2018, was \$4,491,256.

5. Accounts Payable

Accounts payable balances in the general, MSTU and agency funds are primarily payable to third-party vendors for goods received and services rendered.

6. Operating Leases

The Sheriff has several non-cancelable leases for office equipment, vehicles, and leases on substations. Total rental expenditures under operating lease contracts for the year ended September 30, 2018, were \$801,800.

The following is a schedule by years of minimum future rentals on non-cancelable operating leases:

Year Ending September 30,		
2019	\$	622,276
2020		475,441
2021		49,727
2022		50,099
2023		41,103
		<hr/>
	\$	<u>1,238,646</u>

7. Marion County Sheriff's Foundation

The Marion County Sheriff's Office Foundation, Inc. (the Foundation) was formed on June 18, 2008, to serve as a non-profit support organization for the Marion County Sheriff's office. Funds generated by the Foundation are used to support the mission of the Marion County Sheriff's office. They assist in funding community outreach programs, volunteer programs, and specialty units including the K-9 unit, underwater recovery unit, the mounted unit, and SWAT teams. The authorized use of funds includes but is not limited to fuel, supplies, clothing or any items of maintenance or support, technology or equipment for use by Marion County Sheriff's office employees or volunteers, or other outreach programs.

MARION COUNTY, FLORIDA
SHERIFF

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

7. Marion County Sheriff's Foundation (Concluded)

The Foundation's unaudited financial information for the twelve months ended September 30, 2018, included receipts of \$83,347, disbursements of \$95,963, and total net assets for the period ended September 30, 2018, of \$222,231. Their most recent fiscal year end is September 30, 2018. The Foundation has filed its required federal information tax return for 2018.

The Foundation is not fiscally dependent upon the Sheriff and no employee of the Sheriff is a voting member of the Board. The activity of the Foundation since inception is not material and exclusion of their financial information is not deemed to be misleading to the financial statements of the Sheriff. Expenditures of the Foundation have been focused on community outreach and volunteer activities. Therefore, the net assets, receipts, and disbursements of the Foundation have not been included in the Sheriff's financial statements.

8. Health Services Agreement

The Sheriff entered into a health care services agreement with Ocala Community Care (Ocala Community Care), Incorporated, a Florida not-for-profit corporation on January 3, 2008. Ocala Community Care began providing health care services for inmates in the custody of the Marion County Jail on January 2, 2008. The term of the agreement is through September 30, 2018, with minimum scheduled payments totaling \$5,750,000 for the period of October 1, 2017 through September 30, 2018. Total expenditures under this agreement for the year ended September 30, 2018, were \$6,854,548. The agreement was extended through September 30, 2019. The total sum of \$5,700,000 will be paid in monthly installments to Ocala Community Care for the period ended September 30, 2019. The agreement shall automatically renew for successive periods of one year, although the agreement may be cancelled without cause, by either party, upon a ninety days prior written notice.

9. Commissary Network Agreement

The Sheriff entered into an agreement with Keefe Supply Company and its affiliate Keefe Commissary Network, Inc. (Keefe) on March 27, 2007. This agreement was effective beginning March 27, 2007, and continued in effect for a period of three years from the date of execution. The agreement automatically renews for successive one year terms thereafter, unless either party to the agreement gives notice of termination in writing to the other party on or prior to 30 days to the expiration of any term or extended term of the agreement.

The Sheriff entered into an agreement with Securus Technologies on September 23, 2008. This agreement was amended to extend the term of the agreement to May 2018. The agreement renewed during May 2018 for two additional years or when either party gives notice of termination in writing to the other party on or prior to 10 days with cause or 30 days without cause.

Keefe will supply food and other commissary supplies and facilitate the ordering of same and the payments received for the supplies from the inmates. The Sheriff will be paid a service fee for the services provided equal to 33% of adjusted gross sales. Securus will provide telecommunication services to inmates and visitors. The Sheriff will be paid a service fee for the services provided equal to 60.5% of adjusted gross sales. Adjusted gross sales are gross sales less certain non-commissioned items as listed in the agreement. The total received under these agreements for the period ended September 30, 2018, net of related expenditures, was \$159,966.

**MARION COUNTY, FLORIDA
SHERIFF**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

10. Retirement Plan

The Sheriff participates in the Florida Retirement System for Pension Benefits. A detailed plan description and any liability for employees of the Marion County Sheriff are included in the Comprehensive Annual Financial Report of the County.

11. Accumulated Compensated Absences

Employees earn vacation and sick leave based upon length of employment. The Sheriff’s financial obligation for unused compensated absences is reported as a liability in the statement of net assets of the County. That liability consists of three components:

- ▶ 100% of earned, but unused vacation leave.
- ▶ 25% of earned, but unused sick leave, for employees with greater than ten years of service not to exceed payment for more than 500 hours per employee.
- ▶ 25% of earned, but unused sick leave, for employees with greater than ten years of service may be taken as paid leave in the year of retirement.
- ▶ 100% of earned, but unused compensatory leave.

The following is a summary of changes in the compensated absences liability during fiscal year 2018:

	October 1, 2017	Increase	Decrease	September 30, 2018
Accumulated compensated absences	\$ 9,662,179	\$ 8,901,323	\$ (6,446,370)	\$ 12,117,132

12. Post Employment Benefits Other Than Pensions (OPEB)

The Board offers post-retirement health care benefits and life insurance to all retired employees of the Sheriff’s office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost of life insurance and 100%, less a subsidy, for health insurance, which is netted against the premium payment, so that no net expense for life insurance and only the subsidy expense is initially recorded in the Board’s financial statements. However, these retirees are additionally receiving an “implicit subsidy” because the premium is a group rate which includes active, lower cost employees. This implicit subsidy has a cost which under GAAP is required to be disclosed in these financial statements, beginning with the current fiscal year. The retiree subsidy is in the form of a credit of \$5.00 per month for each year worked, not to exceed \$150.00 per month for the cost of health insurance net of the Florida Retirement System’s health insurance subsidy. The subsidy is only available until the retiree becomes Medicare eligible.

The total health insurance subsidy provided to retirees during the year ended September 30, 2018, was \$112,276. The annual cost, accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Sheriff’s Office. Accordingly, these calculations and disclosures can be found in the Comprehensive Annual Financial Report of the County.

**MARION COUNTY, FLORIDA
SHERIFF**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Concluded)

13. Risk Management

The Sheriff participates in the Marion County risk management program. The Board maintains an Insurance Risk Management Internal Service Fund for dental, dependent care and medical reimbursement, health insurance payments, long term disability, life insurance, and vision insurances. Payments to the Board for coverage are based on past experience of the amounts needed to pay current year claims. During the current year, the Sheriff remitted \$8,903,073 to the Board for insurance coverage. Information regarding the program's coverage, self-insurance reserves, and program administration can be found in the Comprehensive Annual Financial Report of the County for the year ended September 30, 2018.

The Marion County Sheriff's office participates in the Florida Sheriffs Workers' Compensation Self Insurance Fund (FSWCSIF). The FSWCSIF was established in 2002 for the purpose of providing its members workers' compensation insurance, general property, casualty, automobile, and watercraft claims and was formed pursuant to and in full compliance with the requirements of Section 624.4622, Florida Statutes. The FSWCSIF is governed by a Board of Managers consisting of seven member sheriffs elected from the pool of participating members. Hunt Insurance Group, LLC serves as administrator to the FSWCSIF performing such functions as underwriting, rating and policy servicing. North American Risk Services (NARS) serves as claims administrator to the FSWCSIF. Workers' Compensation claims are received, processed, and paid by NARS on behalf of the FSWCSIF. The Marion County Sheriff's office exercises no control over the activities of the FSWCSIF. During the current year, the Sheriff remitted \$1,274,546 to the FSWCSIF for workers' compensation insurance coverage and \$1,004,578 for all other coverage.

14. Fund Expenditures Detail

The following is a schedule of the Sheriff's expenditures by budget for the year ended September 30, 2018:

<u>Account Description</u>	<u>Regular</u>	<u>MSTU</u>	<u>Jail</u>	<u>Bailiff</u>	<u>Emergency Management</u>	<u>Totals</u>
Salaries & Benefits	\$4,912,049	\$29,746,444	\$19,357,159	\$1,632,345	\$340,679	\$55,988,676
Other Operating	1,242,346	6,757,827	12,289,033	75,218	247,713	20,612,137
Capital Outlay	111,713	3,502,466	552,937	6,874	40,196	4,214,186
Totals	<u>\$6,266,108</u>	<u>\$40,006,737</u>	<u>\$32,199,129</u>	<u>\$1,714,437</u>	<u>\$628,588</u>	<u>\$80,814,999</u>

MARION COUNTY, FLORIDA
SHERIFF

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS *(Concluded)*

15. Litigation

The Sheriff is involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. It is at least possible that the ultimate liability for known and unknown claims existing at the balance sheet date may be material. However, it is presumed any significant judgments against the Sheriff would be settled by the Marion County, Florida Board of County Commissioners. Accordingly, no contingent liabilities have been accrued in the accompanying special purpose financial statements.

Required Supplementary Information

**MARION COUNTY, FLORIDA
SHERIFF**

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

YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government:				
Salaries and benefits	1,789,196	1,749,196	1,632,345	116,851
Operating expenditures	51,616	91,616	75,218	16,398
Public safety:				
Salaries and benefits	26,618,149	25,444,736	24,609,887	834,849
Other operating	12,651,474	14,104,737	13,779,092	325,645
Total operating expenditures	41,110,435	41,390,285	40,096,542	1,293,743
Capital outlay	116,339	789,833	711,720	78,113
Reserved for contingencies	285,846	-	-	-
Total Expenditures	41,512,620	42,180,118	40,808,262	1,371,856
Deficiency of Revenues				
Under Expenditures	(41,512,620)	(42,180,118)	(40,808,262)	1,371,856
Other Financing Sources:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	41,512,620	42,180,118	40,808,262	(1,371,856)
Total Other Financing Sources	41,512,620	42,180,118	40,808,262	(1,371,856)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2017	-	-	-	-
Fund Balance, September 30, 2018	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
SHERIFF**

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

YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety:				
Salaries and benefits	30,442,172	30,357,094	29,746,444	610,650
Other operating	4,975,354	7,026,756	6,757,827	268,929
Total operating expenditures	35,417,526	37,383,850	36,504,271	879,579
Capital outlay	57,007	3,619,413	3,502,466	116,947
Reserved for contingencies	211,975	-	-	-
Total Expenditures	35,686,508	41,003,263	40,006,737	996,526
Deficiency of Revenues				
Under Expenditures	(35,686,508)	(41,003,263)	(40,006,737)	996,526
Other Financing Sources:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	35,686,508	41,003,263	40,006,737	(996,526)
Total Other Financing Sources	35,686,508	41,003,263	40,006,737	(996,526)
Net Change in Fund Balance	-	-	-	-
Fund Balance, October 1, 2017	-	-	-	-
Fund Balance, September 30, 2018	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

SEPTEMBER 30, 2018

Assets	Individual Depositor Fund	Inmate General Fund	Inmate Canteen Fund	Work Release Fund	Totals
Assets					
Cash	\$ 22,249	\$ 66,998	\$ 1,120,748	\$ -	\$ 1,209,995
Due from individuals	-	-	89,899	-	89,899
Due from other governmental funds	-	-	36	-	36
Total Assets	\$ 22,249	\$ 66,998	\$ 1,210,683	\$ -	\$ 1,299,930
Liabilities					
Liabilities					
Due to Board of County Commissioners	\$ 21,249	\$ 36,341	\$ -	\$ -	\$ 57,590
Due to individuals	1,000	30,621	2,995	-	34,616
Due to others	-	-	1,143,366	-	1,143,366
Due to other governmental funds	-	36	64,322	-	64,358
Total Liabilities	\$ 22,249	\$ 66,998	\$ 1,210,683	\$ -	\$ 1,299,930

**MARION COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2018

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
INMATE GENERAL FUND				
Assets				
Cash	\$ 59,215	\$ 1,528,259	\$ 1,520,476	\$ 66,998
Liabilities				
Due to Board of County Commissioners	\$ 35,637	\$ 507,566	\$ 506,862	\$ 36,341
Due to individuals	23,540	1,020,185	1,013,104	30,621
Due to other governmental funds	38	508	510	36
Total Liabilities	<u>\$ 59,215</u>	<u>\$ 1,528,259</u>	<u>\$ 1,520,476</u>	<u>\$ 66,998</u>
INMATE CANTEEN FUND				
Assets				
Cash	\$ 1,039,406	\$ 1,144,723	\$ 1,063,381	\$ 1,120,748
Due from individuals	37,102	89,899	37,102	89,899
Due from other governmental funds	38	508	510	36
Total Assets	<u>\$ 1,076,546</u>	<u>\$ 1,235,130</u>	<u>\$ 1,100,993</u>	<u>\$ 1,210,683</u>
Liabilities				
Due to others	\$ 1,020,768	\$ 657,392	\$ 534,794	\$ 1,143,366
Due to individuals	2,653	393,289	392,947	2,995
Due to other governmental funds	53,125	184,449	173,252	64,322
Total Liabilities	<u>\$ 1,076,546</u>	<u>\$ 1,235,130</u>	<u>\$ 1,100,993</u>	<u>\$ 1,210,683</u>

**MARION COUNTY, FLORIDA
SHERIFF**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
(Concluded)**

YEAR ENDED SEPTEMBER 30, 2018

	<u>Balance October 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2018</u>
INMATE WORK RELEASE FUND				
Assets				
Cash	\$ -	\$ -	\$ -	\$ -
Liabilities				
Due to Board of County Commissioners	\$ -	\$ -	\$ -	\$ -
Due to individuals	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
INDIVIDUAL DEPOSITOR FUND				
Assets				
Cash	\$ 22,126	\$ 519,408	\$ 519,285	\$ 22,249
Liabilities				
Due to Board of County Commissioners	\$ 20,212	\$ 318,485	\$ 317,448	\$ 21,249
Due to individuals	1,914	200,923	201,837	1,000
Total Liabilities	<u>\$ 22,126</u>	<u>\$ 519,408</u>	<u>\$ 519,285</u>	<u>\$ 22,249</u>
TOTALS ALL AGENCY FUNDS				
Assets				
Cash	\$ 1,120,747	\$ 3,192,390	\$ 3,103,142	\$ 1,209,995
Due from individuals	37,102	89,899	37,102	89,899
Due from other governmental funds	38	508	510	36
Total Assets	<u>\$ 1,157,887</u>	<u>\$ 3,282,797</u>	<u>\$ 3,140,754</u>	<u>\$ 1,299,930</u>
Liabilities				
Due to Board of County Commissioners	\$ 55,849	\$ 826,051	\$ 824,310	\$ 57,590
Due to individuals	28,107	1,614,397	1,607,888	34,616
Due to others	1,020,768	657,392	534,794	1,143,366
Due to other governmental funds	53,163	184,957	173,762	64,358
Total Liabilities	<u>\$ 1,157,887</u>	<u>\$ 3,282,797</u>	<u>\$ 3,140,754</u>	<u>\$ 1,299,930</u>

Other Financial Information

Other Reports

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

Honorable Billy Woods
Marion County Sheriff
Marion County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special purpose financial statements of the Marion County, Florida, Sheriff (the Sheriff) as of and for the year ended September 30, 2018, and the related notes to the special purpose financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Sheriff'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.

Certified Public Accountants

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Honorable Billy Woods
Marion County Sheriff
Marion County, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

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

Honorable Billy Woods
Marion County Sheriff
Marion County, Florida

We have examined Marion County, Florida, Sheriff's (the Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk 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 Sheriff's compliance with specified requirements.

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

This report 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 Sheriff, its management, and the Board of County Commissioners of Marion County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Certified Public Accountants

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MANAGEMENT LETTER

Honorable Billy Woods
Marion County Sheriff
Marion County, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of the Marion County, Florida, Sheriff (the Sheriff), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit of Special Purpose Financial Statements Performed in Accordance with *Governmental 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 March 6, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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. (See Note 1 of the accompanying financial statements).

Certified Public Accountants

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Honorable Billy Woods
Marion County Sheriff
Marion County, Florida

MANAGEMENT LETTER
(Concluded)

Financial Management

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Sheriff, its management, and the Board of County Commissioners of Marion County, Florida, 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 our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida



**SPECIAL PURPOSE FINANCIAL
STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

**Marion County, Florida
Supervisor of Elections**

**Year Ended September 30, 2018
with Report of
Independent Certified Public Accountants**

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS**

**MARION COUNTY SUPERVISOR OF ELECTIONS
MARION COUNTY, FLORIDA
OCALA, FLORIDA
September 30, 2018**

CONTENTS

Independent Auditors' Report	1
Special Purpose Financial Statements	
General Fund Balance Sheet	4
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Notes to Special Purpose Financial Statements	6
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual	12
Other Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes	15
Management Letter	16

INDEPENDENT AUDITORS' REPORT

Honorable Wesley Wilcox
Marion County Supervisor of Elections
Marion County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose financial statements of the general fund of the Marion County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' special purpose financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 of 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 Supervisor of Elections' 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 Supervisor of Elections' 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.

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Wesley Wilcox
Marion County Supervisor of Elections
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Continued)

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) 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 general fund only for that portion of the general fund of Marion County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Marion County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information listed as required supplementary information 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.

Honorable Wesley Wilcox
Marion County Supervisor of Elections
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2019, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters included under the heading Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Special Purpose
Financial Statements

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

GENERAL FUND BALANCE SHEET

SEPTEMBER 30, 2018

Assets

Cash and cash equivalents	\$ 63,136
Restricted cash and cash equivalents	266,211
	<hr/>
Total Assets	\$ 329,347
	<hr/> <hr/>

Liabilities and Fund Balance

Accounts payable	\$ 5,193
Due to Board of County Commissioners	21,441
Due to other governments	266,211
Accrued liabilities	36,502
	<hr/>
Total Liabilities	329,347
	<hr/>
Fund Balance	
Unassigned:	-
Total Fund Balance	-
	<hr/>
Total Liabilities and Fund Balance	\$ 329,347
	<hr/> <hr/>

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE**

YEAR ENDED SEPTEMBER 30, 2018

Grant revenues	\$ 17,475
Interest income	679
Total Revenues	<u>18,154</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	1,475,816
Operating expenditures	937,716
Capital outlay	183,691
Total Expenditures	<u>2,597,223</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,579,069)</u>
Other Financing Sources:	
Operating transfers in - Board of County Commissioners, net of excess budget fees	<u>2,579,069</u>
Total Other Financing Sources	<u>2,579,069</u>
Net Change in Fund Balance	-
Fund Balance, October 1, 2017	<u>-</u>
Fund Balance, September 30, 2018	<u><u>\$ -</u></u>

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying special purpose financial statements.

Reporting Entity—The Marion County, Florida, Supervisor of Elections (the Supervisor of Elections) is an elected constitutional officer as provided for by the Constitution of the State of Florida. The Supervisor of Elections' budget is submitted to the Board of County Commissioners of Marion County, Florida (the Board). The Board distributes the funds necessary to operate the Supervisor of Elections' office.

For financial statement reporting purposes, the Supervisor of Elections is deemed to be a part of the primary government of Marion County, Florida (the County) and, therefore, is included as such in the Marion County, Florida, Comprehensive Annual Financial Report.

Basis of Presentation—The accompanying financial statements include all the funds and accounts of the Supervisor of Elections' office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General—Local Government Entity Audits*.

Governmental fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified below in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances.

Nonspendable fund balance—include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. Nonspendable in governmental fund types are for inventories and prepaid items.

Restricted fund balance—include amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and impact fees.

Committed fund balance—include amounts that can only be used for the specific purpose determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (Continued)

Assigned fund balance—comprise of amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that the resources in other governmental funds are, at a minimum intended to be used for the purpose of that fund.

Unassigned fund balance—is the residual classification of the general fund only and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The Supervisor of Elections utilizes the following fund type:

Governmental Fund:

■ Major Fund

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections.

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

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay which are not recorded until paid.

Measurement Focus—The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Concluded*)

Compensated Absences—It is the Supervisor of Elections’ policy to permit employees to accumulate a limited amount of leave hours, which will be paid to employees upon separation from County service. In the governmental fund, only the amounts that would be liquidated with expendable available resources are accrued as current year expenditures. Compensated absences liabilities that exceed this amount are reported as a liability in the County’s basic financial statements.

Appropriations from the Board of County Commissioners and Refund of Excess Fees—The County funds the operating budget of the Supervisor of Elections. The payments by the County to fund the operations of the Supervisor of Elections are recorded as a transfer out in the basic financial statements of the County, and as other financing sources in the special purpose financial statements of the Constitutional Officer.

The Board requires that the excess of the County appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year. Repayments to the County are recorded as a reduction in other financing sources in the special purpose financial statements of the Constitutional Officer and as a reduction of transfers out in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due the Board of County Commissioners.

Use of Estimates—The preparation of special purpose financial statements is in conformity with GAAP and requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the special purpose financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

2. Budgetary Process

On or before June 1 of each year, the Supervisor of Elections submits a tentative budget for the ensuing fiscal year to the Board. The budget of the general fund is then adopted in the same manner as the budget of the Board.

A budget is legally adopted only for the general fund and is on a basis that differs from GAAP. On a budgetary basis, capital outlay financed with debt proceeds is not budgeted; only the current year's debt payments are appropriated, and they are classified as capital outlay. On a GAAP basis, debt proceeds and capital outlay are recorded in the year of acquisition, and financing payments are classified as debt service expenditures. During 2018, there was no capital outlay financed with long-term debt.

Budgetary control is exercised at the expenditure classification level (personnel services, operating expenditures, and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Supervisor of Elections.

3. Deposits and Investments

Cash and Cash Equivalents—At September 30, 2018, the carrying amount of the Supervisor of Elections' cash deposit accounts were \$329,347, including cash restricted by a grant of \$266,211. The Supervisor of Elections' cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act, as required by Chapter 280, Florida Statutes. All of the Supervisor of Elections' deposits are fully insured by the Public Deposit Trust Fund.

4. Capital Assets

The tangible personal property used by the Supervisor of Elections is reported in the statement of net assets as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the general fund of the Supervisor of Elections and capitalized at cost in the capital assets accounts of the County. The Supervisor of Elections maintains custodial responsibility for the capital assets used by its office.

5. Accounts Payable

Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

6. Retirement Plan

The Marion County Supervisor of Elections participates in the Florida Retirement System for Pension Benefits. A detailed plan description and any liability for employees of the Marion County Supervisor of Elections are included in the Comprehensive Annual Financial Report of the County.

7. Accumulated Compensated Absences

The amount of vested accumulated compensated absences payable (related to governmental fund activities) based upon the Supervisor of Elections' paid-time-off (PTO) policy is reported as a liability in the statement of net assets in the County's basic financial statements. The liability includes earned but unused annual leave as well as FICA taxes and retirement contributions related thereto.

The change in accumulated compensated absences during the year is as follows:

Balance, September 30, 2017	\$ 63,371
Additions	91,650
Reductions	<u>(84,271)</u>
Balance, September 30, 2018	<u>\$ 70,750</u>

8. Post-employment Benefits Other than Pensions

The Board offers post-retirement health care benefits and life insurance to all retired employees of the Supervisor of Elections' Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board's financial statements. However, these retirees are receiving an "implicit subsidy" because the premium is a group rate which includes active, lower cost employees. This implicit subsidy has a cost which under GAAP is required to be disclosed in these financial statements. However, this annual cost, the accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately for the Supervisor of Elections' Office. Accordingly, these calculations and disclosures can be found in the Comprehensive Annual Financial Report of the County.

9. Risk Management

The Supervisor of Elections participates in the Marion County risk management program. The Board of County Commissioners maintains an Insurance Risk Management Internal Service Fund for health, life, dental, and long term disability insurance, workers' compensation, general property and casualty and automobile claims.

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Concluded)

9. Risk Management (Concluded)

Payments to the Board for coverage are based on past experience of the amounts needed to pay current year claims. During the current year, the Supervisor of Elections remitted \$183,655 to the Board for insurance coverage. Information regarding the program's coverage, self-insurance reserves, and program administration can be found in the Comprehensive Annual Financial Report for the year ended September 30, 2018.

10. Operating Leases

The Supervisor of Elections has several non-cancelable leases for office equipment and vehicles. Total rental expenditures under operating leases contracts for the year ended September 30, 2018, were \$32,495.

The following is a schedule by years of minimum future rentals on non-cancelable operating leases:

Year Ending September 30,	
2019	\$ 16,298
2020	9,860
2021	2,826
2022	<u>1,648</u>
	<u>\$ 30,632</u>

11. Litigation

From time to time, the office of the Supervisor of Elections is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of legal counsel, the range of potential liabilities will not materially affect the operations of the Supervisor of Elections' office or the financial position of Marion County, which would be required to fund any claim payments.

Required Supplementary Information

**MARION COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

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

YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Grant revenues	\$ -	\$ 15,289	\$ 17,475	\$ 2,186
Interest income	-	-	679	679
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	15,289	18,154	2,865
 Expenditures:				
Current:				
General government:				
Salaries and benefits	1,754,058	1,480,279	1,475,816	4,463
Operating expenditures	810,844	922,118	937,716	(15,598)
Capital outlay	-	180,827	183,691	(2,864)
Reserved for contingencies	2,500	2,500	-	2,500
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	2,567,402	2,585,724	2,597,223	(11,499)
 Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<hr/>	<hr/>	<hr/>	<hr/>
	(2,567,402)	(2,570,435)	(2,579,069)	(8,634)
 Other Financing Sources:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	<hr/>	<hr/>	<hr/>	<hr/>
	2,567,402	2,570,435	2,579,069	8,634
 Net Change in Fund Balance				
	-	-	-	-
 Fund Balance, October 1, 2017				
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
 Fund Balance, September 30, 2018				
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ -	\$ -	\$ -

Other Reports

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

Honorable Wesley Wilcox
Marion County Supervisor of Elections
Marion County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special purpose financial statements of the general fund of the Marion County, Florida, Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2018, and the related notes to the special purpose financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Supervisor of Elections' 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.

Certified Public Accountants

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Honorable Wesley Wilcox
Marion County Supervisor of Elections
Marion County, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

Honorable Wesley Wilcox
Marion County Supervisor of Elections
Marion County, Florida

We have examined Marion County, Florida, Supervisor of Elections' (the Supervisor of Elections) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' 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 Supervisor of Elections complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk 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 Supervisor of Elections's compliance with specified requirements.

In our opinion, the Supervisor of Elections 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 the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections, its management, and the Board of County Commissioners of Marion County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Certified Public Accountants

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

MANAGEMENT LETTER

Honorable Wesley Wilcox
Marion County Supervisor of Elections
Marion County, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of the Marion County, Florida, Supervisor of Elections (the Supervisor of Elections), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with *Governmental 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 March 6, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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 (see Note 1 of the accompanying financial statements).

Certified Public Accountants

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

Honorable Wesley Wilcox
Marion County Supervisor of Elections
Marion County, Florida

MANAGEMENT LETTER
(Concluded)

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 Supervisor of Elections, its management, and the Board of County Commissioners of Marion County, Florida, 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 our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION**

**Marion County, Florida
Tax Collector**

**Year ended September 30, 2018,
with Report of
Independent Certified Public Accountants**

**SPECIAL PURPOSE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**MARION COUNTY TAX COLLECTOR
MARION COUNTY, FLORIDA
OCALA, FLORIDA
SEPTEMBER 30, 2018**

TABLE OF CONTENTS

Independent Auditors' Report	1
Special Purpose Financial Statements	
General Fund Balance Sheet	4
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance	5
Statement of Fiduciary Assets and Liabilities—Agency Funds	6
Notes to Special Purpose Financial Statements.....	7
Required Supplementary Information	
General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance—Budget and Actual	14
Other Financial Information	
Combining Statement of Fiduciary Assets and Liabilities— All Agency Funds.....	15
Combining Statement of Changes in Fiduciary Assets and Liabilities— All Agency Funds	16
Other Reports	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes.....	20
Management Letter.....	21

INDEPENDENT AUDITORS' REPORT

Honorable George J. Albright, III
Marion County Tax Collector
Marion County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

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 of 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 Tax Collector'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 Tax Collector'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.

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Honorable George J. Albright, III
Marion County Tax Collector
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Continued)

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 for the Tax Collector as of September 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Incomplete Presentation

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* (the Rules) 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 each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Marion County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Marion County, Florida, as of September 30, 2018, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information listed as required supplementary information 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 Financial Information

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

Honorable George J. Albright, III
Marion County Tax Collector
Marion County, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters (Concluded)

Other Financial Information (Concluded)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters included under the heading Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

Special Purpose
Financial Statements

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

GENERAL FUND BALANCE SHEET

SEPTEMBER 30, 2018

Assets

Cash and cash equivalents	\$ 745,129
Due from other funds	<u>246,672</u>
Total Assets	<u><u>\$ 991,801</u></u>

Liabilities and Fund Balance

Due to Board of County Commissioners	\$ 836,056
Accounts payable	57,382
Accrued liabilities	<u>98,363</u>
Total Liabilities	<u>991,801</u>

Fund Balance

Unassigned:	<u>-</u>
Total Fund Balance	<u>-</u>

Total Liabilities and Fund Balance	<u><u>\$ 991,801</u></u>
------------------------------------	--------------------------

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

YEAR ENDED SEPTEMBER 30, 2018

Revenues:	\$ <u> -</u>
Expenditures:	
Current:	
General government:	
Salaries and benefits	6,455,578
Operating expenditures	1,192,974
Capital outlay	<u> 78,776</u>
Total Expenditures	<u>7,727,328</u>
Deficiency of Revenues	
Under Expenditures	<u>(7,727,328)</u>
Other Financing Sources:	
Operating transfers in - Board of County	
Commissioners, net of excess budget fees	<u>7,727,328</u>
Total Other Financing Sources	<u>7,727,328</u>
Net Change in Fund Balance	<u> -</u>
Fund Balance, October 1, 2017	<u> -</u>
Fund Balance, September 30, 2018	<u><u> -</u></u>

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS**

SEPTEMBER 30, 2018

Assets

Cash and cash equivalents	\$ 6,646,151
Credit card receivables	212,864
Due from other funds	438,080
Due from individuals	<u>19,746</u>
 Total Assets	 <u><u>\$ 7,316,841</u></u>

Liabilities

Due to other funds	\$ 684,752
Due to Board of County Commissioners	297,007
Due to other governmental units	963,053
Due to individuals	946,174
Deposits - installment tax	<u>4,425,855</u>
 Total Liabilities	 <u><u>\$ 7,316,841</u></u>

See accompanying notes to financial statements.

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting principles and policies used in the preparation of the accompanying special purpose financial statements.

Reporting Entity—The Marion County, Florida, Tax Collector (the Tax Collector) is an elected constitutional officer as provided for by the Constitution of the State of Florida. Pursuant to the Florida Statutes, the Tax Collector’s budget is submitted to the Marion County Board of County Commissioners (the Board) for approval.

Commissions and fees earned by the Tax Collector are billed periodically to the Board and other governmental agencies as provided in Florida Statutes. By statute, commissions and fees attributable to the school board are paid by the Board.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of Marion County, Florida (the County) and, therefore, is included as such in the Comprehensive Annual Financial Report of the County.

Basis of Presentation—The accompanying special purpose financial statements include all the funds and accounts of the Tax Collector’s office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America. The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, Rules of the Auditor General – Local Governmental Entity Audits.

Governmental fund balances are classified either as nonspendable or as spendable. Spendable fund balances are further classified below in a hierarchy based on the extent to which there are external and internal constraints on the spending of these fund balances.

Nonspendable fund balance - include amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. Nonspendable in governmental fund types are for inventories and prepaid items.

Restricted fund balance - include amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and impact fees.

Committed fund balance - include amounts that can only be used for the specific purpose determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Continued*)

Basis of Presentation (Concluded)

Assigned fund balance - comprise of amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that the resources in other governmental funds are, at a minimum intended to be used for the purpose of that fund.

Unassigned fund balance - is the residual classification of the general fund only and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The Tax Collector utilizes the following fund types:

Governmental Funds:

Major Fund

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector that are not required either legally or by accounting principles generally accepted in the United States to be accounted for in another fund.

Fiduciary Funds:

The Agency Funds are custodial in nature and do not involve measurement of changes in financial position (assets equal liabilities). The agency funds are used primarily for the following:

To account for the collection and distribution of state taxes including motor vehicle registration fees, and the subsequent remittance of those fees (less commissions) to the State of Florida and

To account for the collection and distribution of local taxes including real and personal property taxes.

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

1. Summary of Significant Accounting Policies (*Continued*)

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

The general and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay which are not recorded until paid.

Measurement Focus—The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Budgetary Requirement—Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes.

A budget is legally adopted for the general fund and is on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary control is at the expenditure classification level (personal services, operating expenditures, and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Tax Collector. Amendments between expenditure classifications must be submitted to the Board.

Property Tax Collections—Chapter 197, Florida Statutes, governs property tax collection.

Current Taxes—All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

Unpaid Taxes-Sale of Tax Certificates—The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may redeem the real property tax certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (Concluded)

Tax Deeds—The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court and Comptroller of Marion County, Florida, administers these sales.

Refund of “Excess Fees”—Florida Statutes provide that the excess of the Tax Collector’s fee revenue over expenditures is to be distributed to each governmental agency in the same proportion as the fees paid by the governmental agency bear to total fee income of the office. The amount of undistributed excess fees at the end of the fiscal year is reported as amounts due to the County and other governmental agencies.

The County provides a major portion of the commissions and fees of the Tax Collector. The payments by the County to fund the operations of the Tax Collector are recorded as a transfer out in the basic financial statements of the County, and as other financing sources in the special purpose financial statements of the Tax Collector. Repayments to the County are recorded as a reduction in other financing sources in the special purpose financial statements of the Constitutional Officer and as a reduction of transfers out in the financial statements of the County.

Use of Estimates—The preparation of special purpose financial statements is in conformity with GAAP and requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the special purpose financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

2. Deposits and Investments

Cash and Cash Equivalents —At September 30, 2018, the carrying amount of the Tax Collector’s cash and cash equivalents totaled \$7,391,280. The Tax Collector’s cash deposits totaled \$7,303,955 and are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. All of the Tax Collector’s deposits are fully insured by the Public Deposit Trust Fund. Cash and cash equivalents include \$20,360 of cash for cash drawers.

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

2. Deposits and Investments (Concluded)

Investment Portfolio —On October 20, 2006, the Tax Collector formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits, issuer limits, credit ratings requirements, and maturity limits to protect the Tax Collector’s cash and investment assets.

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The Tax Collector’s investment policy allows for the following investments: The Florida State Board of Administration’s Local Government Surplus Funds Trust Fund, Securities and Exchange Commission registered money market funds, interest bearing time deposits, United States Government Securities, Commercial Paper, United States bonds, notes or other obligations, Federal Agencies and Instrumentalities and Repurchase Agreements.

Included in the cash and cash equivalents total at September 30, 2018, is \$66,965 invested with the Local Government Surplus Funds Trust Fund, an Investments Pool (the Surplus Funds Investment Pool), administered by the State Board of Administration of Florida.

The Surplus Funds Investment Pool met the criteria to be a “2a7-like” pool, as defined in GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, and is permitted to report investments at amortized cost, which is consistent with the regulations set forth in the Security and Exchange Commission’s Rule 2a7 of the Investment Company Act of 1940.

3. Capital Assets

The tangible personal property used by the Tax Collector in its governmental fund operations is reported as capital assets in the statement of net assets as part of the basic financial statements of the County. Upon acquisition, such assets are recorded as expenditures in the General Fund of the Tax Collector and capitalized at cost in the capital assets accounts of the County. The Tax Collector maintains custodial responsibility for the capital assets used by his office.

4. Accounts Payable

Accounts payable balances in the general fund are primarily payable to third-party vendors for goods received and services rendered.

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Continued)

5. Compensated Absences

The amount of vested accumulated compensated absences payable based upon the Tax Collector’s annual leave and sick leave policy is reported as a liability in the statement of net assets in the County’s basic financial statements. The change in accumulated compensated absences during the year is as follows:

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018
Accumulated Compensated Absence	\$ 355,241	\$ 406,075	\$ 407,268	\$ 354,048

The amount recorded represents vested annual vacation and sick leave to employees in varying amounts. Employees may carryover a maximum of 160 vacation hours and 500 sick leave hours. Upon retirement from employment, one-quarter of the balance of sick leave hours up to 125 hours will be paid to deputies with 6 or more years of continuous and creditable service in an established position in the Tax Collector’s office. After six months of service, vacation leave is paid out hour for hour upon separation of employment.

6. Post Employment Benefits Other Than Pensions

The Board offers post-retirement health care benefits and life insurance to all retired employees of the Tax Collector’s Office and their dependents. Participating retirees are required to reimburse the Board for 100% of the premium cost, which is netted against the premium payment, so that no net expense is initially recorded in the Board’s financial statements. However, these retirees are receiving an “implicit subsidy” because the premium is a group rate which includes active, lower cost employees. This implicit subsidy has a cost which under GAAP is required to be disclosed in these financial statements. However, this annual cost, the accrued obligation, and other required disclosures have been calculated for the County as a whole, and not separately reported for the Tax Collector’s Office. Accordingly, these calculations and disclosures are included in the Comprehensive Annual Financial Report of the County.

7. Retirement Plan

The Marion County Tax Collector participates in the Florida Retirement System for Pension Benefits. A detailed plan description and any liability for employees of the Marion County Tax Collector are included in the Comprehensive Annual Financial Report of the County.

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (Concluded)

8. Operating Leases

The Tax Collector has entered into leases for copiers and mailing equipment. Total rental expenditures for the year ended September 30, 2018, were \$16,174. The following is a schedule by years of minimum future rentals on the noncancellable operating leases as of September 30, 2018.

Fiscal Year Ending	Amount
2019	\$ 4,920
2020	4,920
2021	1,230
	\$ 11,070

9. Interfund Receivables and Payables

Individual fund interfund receivables and payables at September 30, 2018, consist of the following:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 246,672	\$ -
Agency Funds:		
Property Tax Fund	-	455,822
Licenses Fund	438,080	228,930
	\$ 684,752	\$ 684,752

10. Risk Management

The Tax Collector participates in the County risk management program. The Board maintains an Insurance Risk Management Internal Service Fund for health and long term disability insurance, workers' compensation, general property and casualty and automobile claims. Payments to the Board for coverage are based on past experience of the amounts needed to pay current year claims. During the current year, the Tax Collector remitted \$1,139,657 for insurance coverage. Information regarding the program's coverage, self-insurance reserves, and program administration is included in the Comprehensive Annual Financial Report of the County for the year ended September 30, 2018.

11. Litigation

From time to time, the office of the Tax Collector is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of legal counsel, the range of potential liabilities will not materially affect the operations of the Tax Collector's office or the financial position of the County, which would be required to fund any claim payments.

Required Supplementary Information

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

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

YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
General government:				
Salaries and benefits	6,813,317	6,712,167	6,455,578	256,589
Operating expenditures	1,163,434	1,206,084	1,192,974	13,110
Capital outlay	20,675	79,175	78,776	399
Total Expenditures	<u>7,997,426</u>	<u>7,997,426</u>	<u>7,727,328</u>	<u>270,098</u>
Deficiency of Revenues				
Under Expenditures	<u>(7,997,426)</u>	<u>(7,997,426)</u>	<u>(7,727,328)</u>	<u>270,098</u>
Other Financing Sources:				
Operating transfers in - Board of County Commissioners, net of excess budget fees	<u>7,997,426</u>	<u>7,997,426</u>	<u>7,727,328</u>	<u>(270,098)</u>
Total Other Financing Sources	<u>7,997,426</u>	<u>7,997,426</u>	<u>7,727,328</u>	<u>(270,098)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	-	-	-	-
Fund Balance, October 1, 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Other Financial Information

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

SEPTEMBER 30, 2018

Assets	Agency Funds		Total All Agency Funds
	Property Tax Fund	Licenses Fund	
Assets:			
Cash and cash equivalents	\$ 6,044,691	\$ 601,460	\$ 6,646,151
Credit card receivables	212,864	-	212,864
Due from other funds	-	438,080	438,080
Due from individuals	6,821	12,925	19,746
	<u>\$ 6,264,376</u>	<u>\$ 1,052,465</u>	<u>\$ 7,316,841</u>
Total Assets	<u>\$ 6,264,376</u>	<u>\$ 1,052,465</u>	<u>\$ 7,316,841</u>
Liabilities			
Liabilities:			
Due to other funds	\$ 455,822	\$ 228,930	\$ 684,752
Due to Board of County Commissioners	297,007	-	297,007
Due to other governmental units	139,518	823,535	963,053
Due to individuals	946,174	-	946,174
Deposits - installment tax	4,425,855	-	4,425,855
	<u>\$ 6,264,376</u>	<u>\$ 1,052,465</u>	<u>\$ 7,316,841</u>
Total Liabilities	<u>\$ 6,264,376</u>	<u>\$ 1,052,465</u>	<u>\$ 7,316,841</u>

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS**

YEAR ENDED SEPTEMBER 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
PROPERTY TAX AGENCY FUND				
ASSETS				
Cash and cash equivalents	\$ 6,116,233	\$ 343,213,393	\$ 343,284,935	\$ 6,044,691
Credit card receivables	233,129	23,929,465	23,949,730	212,864
Due from individuals	7,200	302,504	302,883	6,821
	<u>\$ 6,356,562</u>	<u>\$ 367,445,362</u>	<u>\$ 367,537,548</u>	<u>\$ 6,264,376</u>
LIABILITIES				
Due to other funds	\$ 426,585	\$ 2,563,352	\$ 2,534,115	\$ 455,822
Due to Board of County Commissioners	332,744	168,239,609	168,275,346	297,007
Due to other governmental units	190,984	173,413,692	173,465,158	139,518
Due to individuals	1,101,326	23,107,777	23,262,929	946,174
Deposits - installment tax	4,304,923	120,932	-	4,425,855
	<u>\$ 6,356,562</u>	<u>\$ 367,445,362</u>	<u>\$ 367,537,548</u>	<u>\$ 6,264,376</u>
LICENSES AGENCY FUND				
ASSETS				
Cash and cash equivalents	\$ 538,391	\$ 41,673,208	\$ 41,610,139	\$ 601,460
Due from other funds	341,291	438,080	341,291	438,080
Due from individuals	15,545	1,569,795	1,572,415	12,925
	<u>\$ 895,227</u>	<u>\$ 43,681,083</u>	<u>\$ 43,523,845</u>	<u>\$ 1,052,465</u>
LIABILITIES				
Due to other funds	\$ 184,813	\$ 3,198,834	\$ 3,154,717	\$ 228,930
Due to other governmental units	710,414	40,482,249	40,369,128	823,535
	<u>\$ 895,227</u>	<u>\$ 43,681,083</u>	<u>\$ 43,523,845</u>	<u>\$ 1,052,465</u>

**MARION COUNTY, FLORIDA
TAX COLLECTOR**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
ALL AGENCY FUNDS
(Concluded)**

YEAR ENDED SEPTEMBER 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
TOTALS ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 6,654,624	\$ 384,886,601	\$ 384,895,074	\$ 6,646,151
Credit card receivables	233,129	23,929,465	23,949,730	212,864
Due from other funds	341,291	438,080	341,291	438,080
Due from individuals	22,745	1,872,299	1,875,298	19,746
	<u>\$ 7,251,789</u>	<u>\$ 411,126,445</u>	<u>\$ 411,061,393</u>	<u>\$ 7,316,841</u>
LIABILITIES				
Due to other funds	\$ 611,398	\$ 5,762,186	\$ 5,688,832	\$ 684,752
Due to Board of County Commissioners	332,744	168,239,609	168,275,346	297,007
Due to other governmental units	901,398	213,895,941	213,834,286	963,053
Due to individuals	1,101,326	23,107,777	23,262,929	946,174
Deposits - installment tax	4,304,923	120,932	-	4,425,855
	<u>\$ 7,251,789</u>	<u>\$ 411,126,445</u>	<u>\$ 411,061,393</u>	<u>\$ 7,316,841</u>

Other Reports

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

Honorable George J. Albright, III
Marion County Tax Collector
Marion County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special purpose financial statements of each major fund, and the aggregate remaining fund information of Marion County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2018, and the related notes to the special purpose financial statements, which collectively comprise the Tax Collector's basic financial statements, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Tax Collector'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.

Certified Public Accountants

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Honorable George J. Albright, III
Marion County Tax Collector
Marion County, Florida

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

Compliance and Other Matters

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

Purpose of this Report

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

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

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

Honorable George J. Albright, III
Marion County Tax Collector
Marion County, Florida

We have examined Marion County, Florida, Tax Collector's (the Tax Collector) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2018, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgment, including an assessment of the risk 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 Tax Collector's compliance with specified requirements.

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

This report 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 Tax Collector, its management, and the Board of County Commissioners of Marion County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

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MANAGEMENT LETTER

Honorable George J. Albright, III
Marion County Tax Collector
Marion County, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of the Marion County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2018, and have issued our report thereon dated March 6, 2019, which was modified to state that the special purpose financial statements are not intended to be a complete presentation of Marion County, Florida.

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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit of Special Purpose Financial Statements Performed in Accordance with *Governmental 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 March 6, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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. (See Note 1 of the accompanying financial statements).

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Honorable George J. Albright, III
Marion County Tax Collector
Marion County, Florida

MANAGEMENT LETTER
(Concluded)

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 have 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 Tax Collector, its management, and the Board of County Commissioners of Marion County, Florida, 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 our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Purvis, Gray and Company, LLP

March 6, 2019
Ocala, Florida

