



2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT **YEAR ENDED SEPTEMBER 30, 2019** **UNION COUNTY, FLORIDA**

Kellie Hendricks Connell, CPA
Clerk of Courts & County Comptroller
www.UnionClerk.com

UNION COUNTY, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2019



PREPARED BY:
KELLIE HENDRICKS CONNELL, CPA
CLERK OF COURTS & COMPTROLLER

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SEPTEMBER 30, 2019**

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**UNION COUNTY, FLORIDA
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2019**

Elected Officials

Board of County Commissioners

District 1, Chair – Karen Cossey
District 2, Vice Chair – Channing Dobbs
District 3 – Jimmy Tallman
District 4 – Lacey Cannon
District 5 – Willie Croft

Constitutional Officers

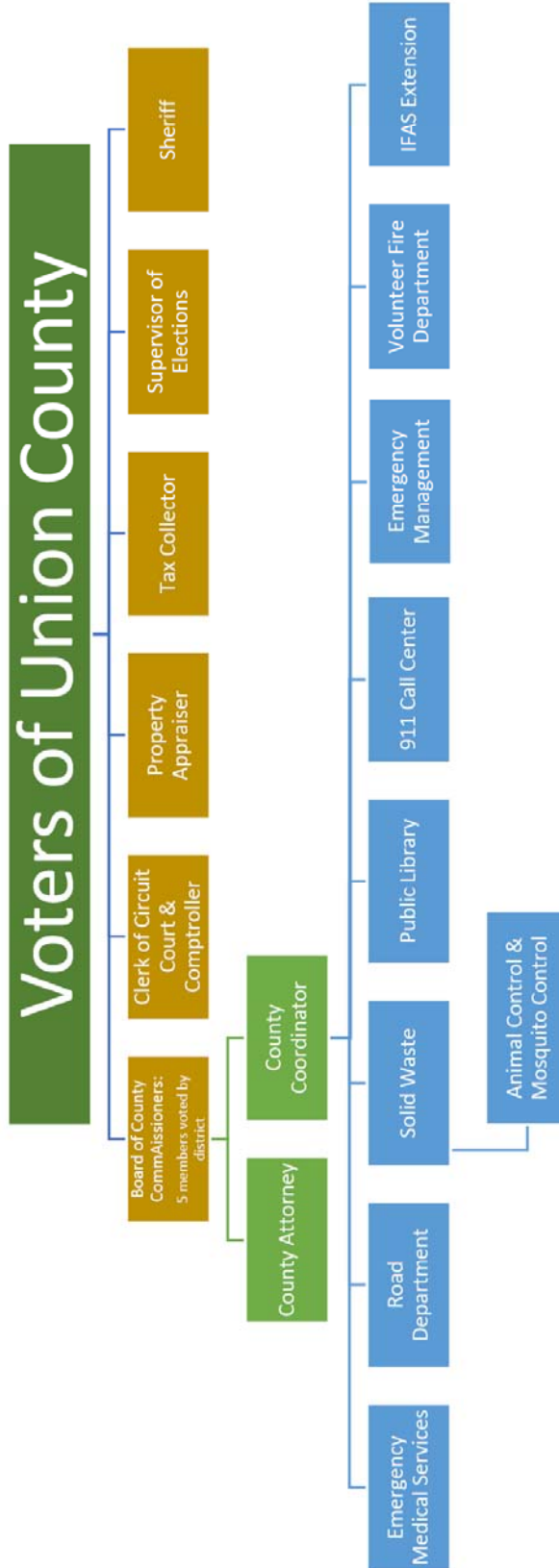
Clerk of the Circuit Court & Comptroller – Kellie Hendricks Connell, CPA
Property Appraiser – Bruce D. Dukes
Sheriff – Brad Whitehead
Supervisor of Elections – Debbie Osborne
Tax Collector – Lisa B. Johnson

Appointed Officials

County Attorney – Russell Wade
County Coordinator – James Williams
Road Superintendent – Shelton Arnold, Jr.
Solid Waste Director – Kim Hayes
Public Library Director – Mary Brown
EMS Director – Wayne Clemons
Emergency Management Director – Tim Allen
Finance Director – Pam Woodington



UNION County
LAKE BUTLER • WORTHINGTON SPRINGS • RAIFORD • PALESTINE • PROVIDENCE



**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE
IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awards Certificates of Achievement for Excellence in Financial Reporting to entities that submit qualifying comprehensive annual financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Union County has never previously participated in this program. We believe our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate. If awarded, a copy of the certificate will be included in this location in the fiscal year 2020 CAFR.



Kellie Hendricks Connell, CPA
Clerk of the Circuit Court & Comptroller
Union County, Florida

May 22, 2020

To the People of Union County, Florida
and the Honorable Members of the Board of County Commissioners:

We are pleased to present to you and the citizens of Union County the accompanying Comprehensive Annual Financial Report (CAFR) of Union County, Florida (the "County") for the fiscal year ended September 30, 2019. The report was prepared by the Clerk and the Finance Department staff within the Office of the Clerk of the Circuit Court & Comptroller. Responsibility for the accuracy of the presented data, and completeness and fairness of the presentation including all disclosures, rests with the Clerk as the Chief Financial Officer and Comptroller of Union County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position, results of operations and cash flows of the County as measured by the financial activity of its various funds. This report contains all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs.

The purpose of this letter is to point out narratively the highlights of the County's financial operations for the fiscal year. The CAFR is designed to meet the needs of a wide range of financial statement users.

A wealth of information is presented in this report and we encourage your careful review to obtain a clear picture of the financial position of Union County. We encourage you to read the complementary information offered in the Management's Discussion and Analysis beginning on page 12.

General

The County's financial statements have been prepared to meet the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34). GASB 34 establishes a reporting model that the County has reported in five parts:

1. Management's Discussion and Analysis: a narrative report providing significant information about the County and how the County's financial position has changed from September 30, 2018, to September 30, 2019, and the reasons for the change;
2. Government-wide Financial Statements: statements which report on the governmental assets, liabilities, expenses and revenues of the County;
3. Fund Financial Statements: statements which report on the major individual governmental and proprietary funds of the County;

Kellie Hendricks Connell, CPA
Clerk of the Circuit Court & Comptroller

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4. Budgetary Comparisons for the County's general fund and major special revenue funds, and
5. The notes to the financial statements.

Accounting System and Budgetary Control

The accounting records for general governmental operation are maintained on a modified accrual basis with revenue being recorded upon determination that it is both available and measurable. Expenditures for general governmental operations are recorded when the services or goods are received and the liabilities incurred.

In developing and evaluating the accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding, (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that, (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

State law requires counties and their elected officials to develop balanced budgets to provide for the operation of their offices. Details of expenditures to be made and the resources available to meet these proposed obligations must be included in the budget. Upon adoption, the budget document becomes the legal basis for carrying out the activities of the County. Except as noted within the Notes to the Basic Financial Statements, the Board of County Commissioners adopts budgets for all funds. The Property Appraiser and the Tax Collector's budgets are approved by the Florida Department of Revenue. The Sheriff and Supervisor of Elections prepare budgets for their General Funds, which are submitted to and approved by the Board. The Clerk of Court & Comptroller submits a budget request to the Florida Clerks of Court Operations Corporation for the funding of all court functions, and also, as ex-officio Clerk to the Board, prepares and submits a budget for services provided to the Board of County Commissioners for their approval.

Budgets are adopted on a basis consistent with generally accepted accounting principles, except as noted in the Notes to the Basic Financial Statements. Expenditures cannot exceed the total amount budgeted for each fund. Budget control is maintained by a computerized encumbrance system, which restricts budgetary amounts upon input. Purchase orders that exceed account appropriations are not released until additional appropriations are made available. All appropriations lapse at year-end. If required, encumbrances are reestablished at the beginning of the new fiscal year if the funds are appropriated in the annual budget.

The Reporting Entity and Its Services

Union County is a non-chartered county established under the legal authority of the Constitution and the Laws of the State of Florida. The County provides a full range of services. These include tax assessments and collections, circuit and county court facilities, public safety (law enforcement, fire and EMS), physical environment, transportation, economic environment, human services and general administrative services. Union County has no business-type activities.

Economic Condition and Outlook

The base of the Union County economy is agriculture and correctional institutions, ran by the Florida Department of Corrections.

The economic impact of the prison system was not by accident. Union County was carved out of Bradford County in 1921. At that time, the Florida State Prison was in the Raiford area. In 1955, an addition, called the East Unit, was built just across the New River in Bradford County. In 1961, the East Unit became a separate institution and was renamed Florida State Prison. The original prison was renamed Union Correctional Institution, as it is still known today. In 1958, Union County purchased 1,020 acres from the United States of America that was formerly a US Naval Air Base for \$100,000. In 1961, the County leaders had the foresight of the economic impact of an additional prison operating in the county, and deeded 500 acres to the Florida Department of Corrections for the nominal amount of \$1.00 with the condition that a Reception Center and/or Medical Center was built on the property. In 1989, Union County deeded an additional 260 acres to the Department of Corrections for the construction of The Reception and Medical Center West Unit. It is interesting to note that the minutes from the Board of County Commissioners meeting on July 17, 1958 report that the commissioners recognized that the “location, condition and type of property makes it ideal for a number of various county uses, to-wit: community forest, park service, recreation center, play ground, developing agricultural resources of the county, road and bridge purposes, a site for The Northeast Tuberculosis Sanatorium...” In total, the correctional institutions provide 1,781 of the 4,217 jobs in Union County.

Similar to neighboring counties in North Florida, agriculture is a major industry in Union County. According to the US 2017 Farm Census, Union County FL has 308 farms with 53,757 acres of farmland, with the average farm size of 175 acres. Of these acres used for agriculture, 50% is devoted to pasture and rangeland, 28% to wood and timberland, and 20% to crop production. The Union County Property Appraiser reports that 87% of the 159,218 acres of the county qualify for an agriculture tax exemption. There are 1,149 jobs in Union County in agricultural enterprises.

A challenge faced by the County government is that Union County is very small in size. At 249 square miles, it is the smallest in the State of Florida. The limited land means a small amount of land available to tax. While the correctional institutions and agriculture industry contribute heavily to the overall economy, the correctional institutions pay no ad-valorem taxes and agriculture exemptions greatly reduce the amount ad-valorem taxes paid to Union County.

Major Initiatives

For the Year

A new building for Agricultural Education was near completion on September 30, 2019, and has since been completed and opened. The project was 100% grant-funded through the Florida Department of Agriculture and Consumer Services at a cost of \$480,000. The building houses the offices for the IFAS Extension Agent and 4-H Program. It contains a teaching kitchen and outside pavilion that will be well-suited for livestock shows.

The construction of this building was handled entirely by County staff, allowing the full amount of the grant to be used for construction

Improvements to the O.J. Phillips Recreational Complex were completed in cooperation with the Rec Board. This was the result of \$100,000 in grant funds from the Florida Department of Economic Opportunity through the Florida Recreational Development Assistance Program (FRDAP). ADA parking and sidewalks were installed, the basketball court was resurfaced, new lighting was added to baseball and softball fields, bathrooms were added and improved and a new playground was built.

Two road maintenance projects were complete in 2019: Sapp Cemetery Road and County Road 199. Both were three-year resurfacing projects funded by the Florida Department of Transportation's small county assistance programs. Sapp Cemetery Road was completed at a cost of \$698,000 and County Road 199 was a cost of \$1.9 million.

For the Future

Additional road resurfacing projects are planned to be completed in 2020, funded by Florida Department of Transportation Grants: SW 63rd Drive, SW 150th Loop and SE 8th Avenue. Additionally, the County plans to partner with the Town of Raiford to assist the Town with a municipal grant for road repairs and maintenance from Florida Department of Transportation.

Union County received appropriations in 2019 of \$100,000 and is budgeted to receive an additional \$400,000 in 2020 from the State of Florida to implement courthouse security screenings. Preliminary engineering work is currently ongoing, and construction is anticipated to begin in 2020. While the county is small, security has become a recent concern throughout the country in recent years. The courthouse is the site for court events for high-risk inmates, which brings additional security concerns.

An additional \$165,000 grant through the Florida Recreational Development Assistance Program for improvements to the O.J. Phillips Recreational Complex is planned through a grant from the State of Florida. Improvements will include additional lighting for baseball and softball fields, and the construction and lighting of a football/soccer field.

Major Challenges

In 2019, Union County incurred substantial legal expenses in relation to multiple law suits filed against the county regarding potential phosphate mining. Costs incurred by the county were approximately \$175,000. Additionally, the County faced an infestation of Mexican Brown Bats in the historic courthouse and other nearby buildings. The bats were removed following strict guidelines (as they are a protected species), and bat houses were constructed in nearby locations to prevent them from returning. The repair and cleanup from the infestation took several months to complete with a cost of \$36,000.

Independent Audit

In compliance with the laws of the State of Florida, Union County was audited by independent certified public accountants. The opinion of James Moore & Co. may be found on Page 9 of this report. The reports relating specifically to the single audit are included in the section entitled "Compliance."

Reporting Achievement

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. A CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the first submission by Union County. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA for approval.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the staff of the Clerk's Finance Department: Pamela H. Woodington and Peggy Gatlin.

We would also like to thank the Constitutional officers and various directors of County departments for their contribution in compiling information for this report.

We also like to extend appreciation to Mr. Wilson Whidden, Building Inspector who was instrumental in the construction and completion of the Agricultural Education Building project. The Union County Fair Association and its Board, led by President Jason Stalnaker, secured additional funding on behalf of the County for an addition to house livestock and equipment for the building.

We would also like to express great appreciation to the members of the Rec Board: Lynda Pettit, Lori Burke, Jason Staier, Lisa Johnson, Kevin Orton & Mac Johns for maximizing the use of grant funds for the O.J. Phillips Recreation Complex.

Respectfully submitted,

A handwritten signature in dark ink, appearing to be 'KHC', followed by a long horizontal line extending to the right.

Kellie Hendricks Connell, CPA
Clerk of the Circuit Court & Comptroller

INDEPENDENT AUDITORS' REPORT

The Honorable Board of County Commissioners,
Union County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, Florida (the County), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's 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, whether due to fraud or error.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, Florida, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note (10) to the financial statements, in 2019, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effects of this standard have also been applied to the financial statements as of the year ended September 30, 2018. See Note (11) for the effect of GASB 75 on beginning net position. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

Other Information

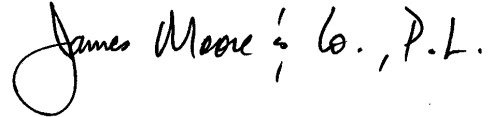
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining general fund statements, combining and individual nonmajor fund financial statements and other schedules, combining fiduciary fund schedules, statistical section, and schedule of expenditures of state financial assistance, as required by Section 215.97, Florida Statutes, *Florida Single Audit Act*; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining general fund statements, combining and individual nonmajor fund financial statements and other schedules, combining fiduciary fund schedules, and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

Union County, Florida
Management's Discussion and Analysis
(Unaudited)

Union County, Florida's (the "County") discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activity, (c) identify changes in the County's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the County's financial statements which follow this discussion.

Financial Highlights

- The assets of the County exceeded its liabilities at September 30, 2019 by \$13,753,747 (net position). Of this amount unrestricted net position amounted to \$(4,448,480) due to the County recording its proportionate share of the Florida Retirement System's net pension liability of \$9,275,696.
- The County's long-term debt obligations decreased by \$228,569 due to regular scheduled loan payments.
- As of September 30, 2019, the County's governmental funds reported combined ending fund balances of \$5,237,532. Fund balances saw a decrease of \$178,358 when compared to the prior year.
- The County purchased capital assets of buildings, infrastructure, equipment, vehicles and library materials in the amount of \$1,971,641.

Using This Annual Report

The financial statement's focus is on both the County as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the County's accountability.

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The focus is on "activities", rather than "fund types".

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. The focus of the Statement of Net Position is designed to be similar to bottom line results for the County and its governmental activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Union County, Florida
Management's Discussion and Analysis (Continued)
(Unaudited)

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions. The governmental activities of the County include general government, court system, law enforcement, county jail, emergency medical services, emergency management functions, solid waste services, road and street improvements and recreation projects.

The government-wide financial statements include only Union County, Florida, which is known as the primary government. The County has one component unit, which is the Union County Special Library District. The Library District (Public Library) is included as a separate non-major governmental fund in the statements that follow this discussion.

The government-wide financial statements can be found following this discussion.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over the 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 two categories: governmental funds and fiduciary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spending resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County'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 County's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the major funds. Information is presented for the non-major funds in the Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances.

Union County, Florida
Management's Discussion and Analysis (Continued)
(Unaudited)

The County adopts an annual appropriated budget for all of its governmental funds, as required by state law. The County has four major governmental funds. A listing and description of the major funds is provided in the notes to financial statements. Budgetary comparison statements have been provided for the major funds to demonstrate compliance with the budget. In addition, the financial statements provide budget to actual comparisons for the non-major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for governmental funds. The County's main fiduciary activity is the accounting for agency funds. The County collects monies for property taxes, traffic fines and other monies to be remitted to other governmental agencies.

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. They can be found following this discussion.

Union County, Florida
Management's Discussion and Analysis (Continued)
(Unaudited)

Government-Wide Financial Analysis

Statement of Net Position

The following table reflects the condensed Statement of Net Position for the current year as compared to the prior year. For more detailed information see the Statement of Net Position.

	Governmental Activities	
	2019	2018
Assets:		
Current and other assets	\$ 6,133,647	\$ 6,743,372
Capital assets	16,207,471	14,741,879
Total assets	<u>\$ 22,341,118</u>	<u>\$ 21,485,251</u>
 Deferred outflow of resources	 <u>\$ 3,276,572</u>	 <u>\$ 3,502,091</u>
 Liabilities:		
Long-term liabilities outstanding	\$ 810,388	\$ 1,007,454
Net pension liability	9,275,696	7,948,450
Total OPEB liability	100,632	-
Other liabilities	896,115	1,190,042
Total liabilities	<u>\$ 11,082,831</u>	<u>\$ 10,145,946</u>
 Deferred inflow of resources	 <u>\$ 781,112</u>	 <u>\$ 993,540</u>
 Net position:		
Net investment in capital assets	\$ 15,736,855	\$ 14,042,694
Restricted	2,465,372	2,948,349
Unrestricted	(4,448,480)	(3,143,187)
Total net position	<u>\$ 13,753,747</u>	<u>\$ 13,847,856</u>

Note - 2018 net position has not been restated in this schedule. See Note 11.

The majority of the County's net position reflects its investment in capital assets (e.g. land, buildings, improvements, infrastructure, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its 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.

Of the remaining balances, \$(4,448,480) is unrestricted net position and \$2,465,372 is restricted net position that is constrained by grant agreements, Florida Statutes or enabling legislation.

Union County, Florida
Management's Discussion and Analysis (Continued)
(Unaudited)

Significant increases in net pension liabilities shown above are the result of recording the County's proportionate share of the Florida Retirement System's net pension liability.

Government-Wide Financial Analysis

Statement of Activities

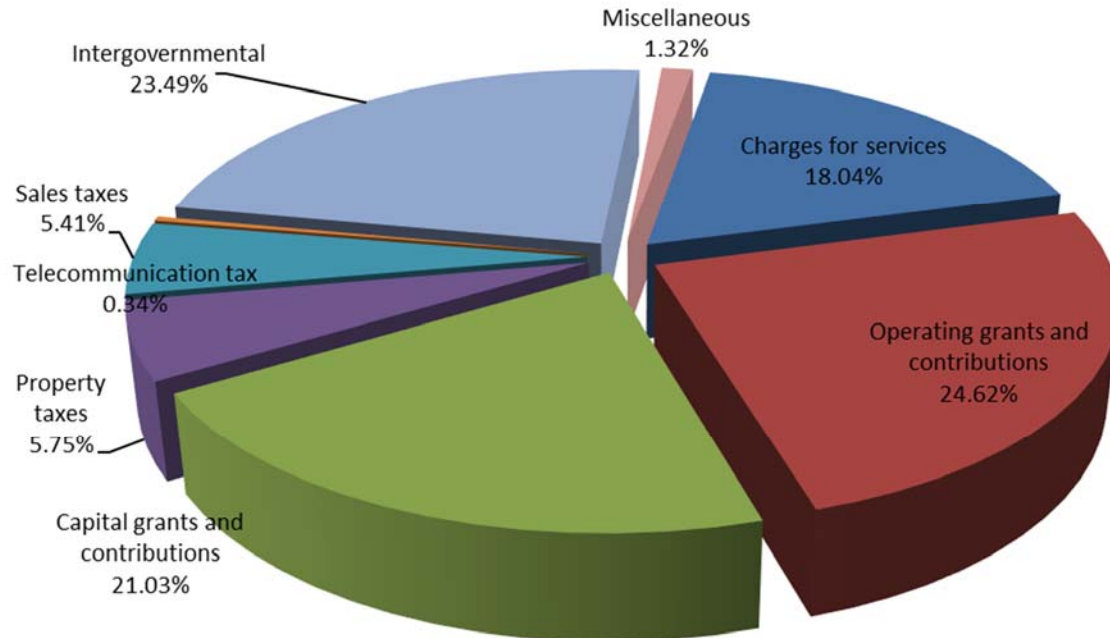
The following table reflects the condensed Statement of Activities for the current year as compared to the prior year. For more detailed information see the Statement of Activities.

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 2,138,660	\$ 2,228,983
Operating grants and contributions	2,917,624	2,770,150
Capital grants and contributions	2,492,910	638,747
General revenues:		
Property taxes	2,362,893	2,268,076
Other taxes	681,557	693,333
Other revenues	2,940,347	2,882,891
Total revenues	13,533,991	11,482,180
Expenses:		
General government	2,265,607	1,714,061
Public safety	5,585,411	5,052,545
Physical environment	1,428,394	1,324,184
Economic environment	449,292	387,439
Transportation	1,847,495	1,636,348
Human services	366,807	357,712
Culture and recreation	398,043	480,984
Court related	1,185,498	1,073,249
Interest on long-term debt	10,933	5,136
Total expenses	13,537,480	12,031,658
Changes in net position	(3,489)	(549,478)
Net position - beginning of year, as restated	13,757,236	14,397,334
Net position - end of year	\$ 13,753,747	\$ 13,847,856

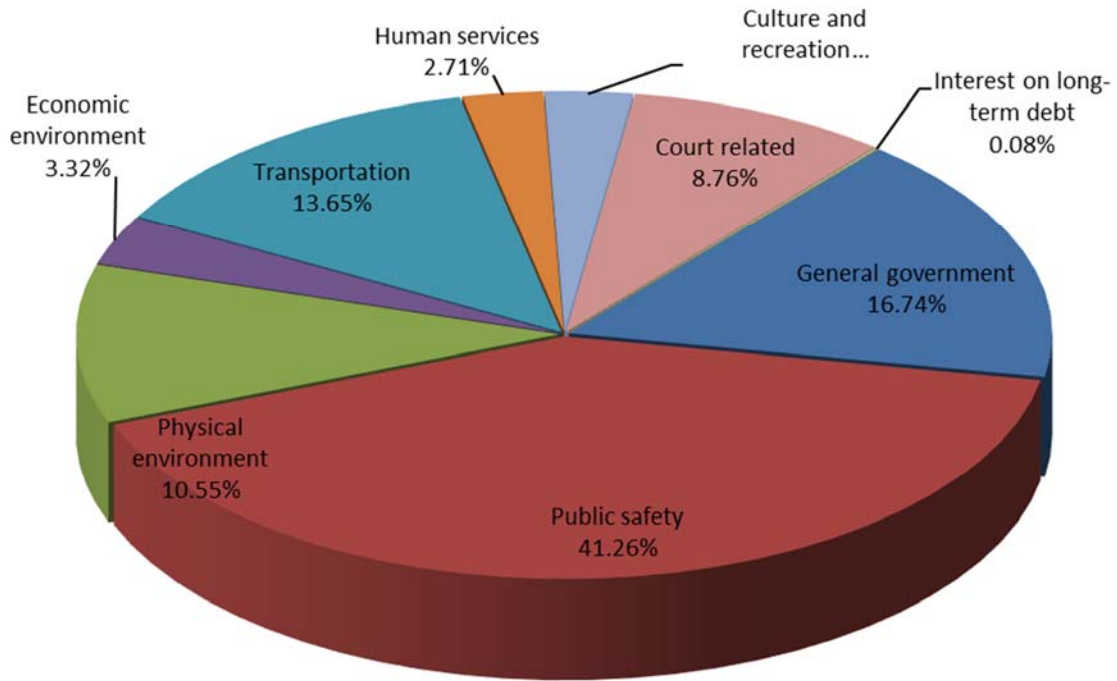
Union County, Florida
Management's Discussion and Analysis (Continued)
(Unaudited)

Government-Wide Financial Analysis

Revenue by Source – Governmental Activities



Expense by Function/Program – Governmental Activities



Union County, Florida
Management's Discussion and Analysis (Continued)
(Unaudited)

Financial Analysis of the County's Funds

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

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.

As of September 30, 2019, the County's governmental funds reported combined ending fund balances of \$5,237,532 a decrease of \$178,358 in comparison with the prior year. Of the ending fund balance, \$869,686 is considered unassigned and can be spent at the discretion of the Board and \$2,465,372 is considered restricted, which represents the ending fund balances of the County's special revenue funds and court related IV-D grant reimbursements.

The General Fund is the chief operating fund of the County. At September 30, 2019, the unassigned fund balance of the General Fund was \$869,686. 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 13.4% of total General Fund expenditures. As of September 30, 2019, the fund balance of the General Fund decreased by \$408,710 when compared to the prior fiscal year ending fund balance due to transfers.

The Emergency Medical Services (EMS) Fund is used to account for revenues and expenditures related to ambulance services for county residents. During the current fiscal year the Emergency Medical Service's fund balance decreased by \$24,296. The decrease can be attributed to an increase in public safety expenditures. The ending fund balance of the EMS Fund was \$192,815.

The Special Law Enforcement Trust Fund is used to account for revenues and expenditures associated with the collection of forfeitures used to improve the County's Sheriff Department. The Special Law Enforcement Trust fund balance increased during the fiscal year by \$38,174. This increase is attributed to no expenditures being made during the fiscal year. The Special Law Enforcement Fund had an ending fund balance of \$1,335,203.

The Local Housing Assistance Fund is used to account for revenues and expenditures associated with repairing low and moderate income homes. Also, the funds can be used to assist with down payments in purchasing new homes. During the fiscal year, the fund balance of the Local Housing Assistance Fund had no change in fund balance as revenues and expenditures were equal. There is no fund balance in the Local Housing Assistance Fund as any unspent funds are considered unearned revenues.

The Transportation Trust Fund is used to account for all revenues and expenditures for the County's transportation system. During the fiscal year, the fund balance of the Transportation Trust Fund increased \$69,154. The fund balance in the Transportation Trust Fund was \$575,539 at year end.

Union County, Florida
Management's Discussion and Analysis (Continued)
(Unaudited)

Financial Analysis of the County's Funds (continued)

General Fund Budgetary Highlights

Significant variations between original and final budget amounts were due to revenues received that were unanticipated in the original budget and the associated expenditures.

Actual expenditures in the general fund were \$447,053 less than final budget amounts. The main reason for this is conservative spending.

Capital Assets

The County's balance in capital assets for its governmental type activities as of September 30, 2019 amounted to \$16,207,471 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, infrastructure, vehicles and equipment.

Major capital assets added during the current fiscal year included the following:

- Infrastructure additions of nearly \$3,000,000.

The following is a summary of the County's Capital Assets:

	Governmental Activities	
	2019	2018
Land	1,077,564	1,077,564
Building and improvement	3,613,312	3,756,357
Infrastructure - roads	9,161,795	7,282,617
Vehicles	585,078	635,768
Library materials	40,140	53,106
Machinery and equipment	887,593	975,850
Assets under capital lease	133,721	190,089
Construction in progress	708,268	770,528
Total	16,207,471	14,741,879

Union County, Florida
Management's Discussion and Analysis (Continued)
(Unaudited)

Financial Analysis of the County's Funds (concluded)

Long-Term Debt

A summary of long-term debt obligations of the County follows:

	Governmental Activities	
	2019	2018
Notes payable	41,487	213,794
Capital lease obligations	429,129	485,391
Compensated absences	339,772	308,269
Total OPEB liability	100,632	90,620
Net pension liability	9,275,696	7,948,450
Total	10,186,716	9,046,524

Additional information on the County's long-term debt can be found in the Notes to the Financial Statements in this report.

Economic Factors and Next Year's Budget

There are many challenges facing local governments today. The County continues to see increases in state mandated expenditures without increases in state revenue. Unfortunately, this trend is expected to continue. Conversely, mandated expenditures, such as retirement expense, have, and are expected to continue to increase.

Requests for Information

This financial report is designed to provide a general overview of Union County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Clerk of Courts Office, 55 West Main Street - Room 103, Lake Butler, Florida 32054.

**UNION COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 3,821,382
Investments	761,523
Accounts receivable, net	262,076
Due from other governments	1,190,206
Prepaid items	98,460
Capital assets:	
Non-depreciable	1,785,832
Depreciable, net	14,421,639
Total assets	\$ 22,341,118
DEFERRED OUTFLOWS	
Deferred outflows related to pensions	\$ 3,276,218
Deferred outflows related to OPEB	354
Total deferred outflows	\$ 3,276,572
LIABILITIES	
Accounts payable and accrued liabilities	\$ 647,558
Due to other governments	105,424
Unearned revenues	143,133
Noncurrent liabilities:	
Due within one year	232,487
Due in more than one year	577,901
Total OPEB liability	100,632
Net pension liability	9,275,696
Total liabilities	\$ 11,082,831
DEFERRED INFLOWS	
Deferred inflows related to pensions	\$ 781,057
Deferred inflows related to OPEB	55
Total deferred inflows	\$ 781,112
NET POSITION	
Net investment in capital assets	\$ 15,736,855
Restricted for:	
Court operations	194,436
Law enforcement	1,523,030
Transportation	575,539
Library	108,902
Other purposes	63,465
Unrestricted	(4,448,480)
Total net position	\$ 13,753,747

The accompanying notes to financial statements
are an integral part of this statement.

**UNION COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 2,265,607	\$ 275,487	\$ 168,421	\$ -	\$ (1,821,699)
Public safety	5,585,411	898,168	605,566	-	(4,081,677)
Physical environment	1,428,394	741,581	150,721	-	(536,092)
Economic environment	449,292	-	413,686	165,375	129,769
Transportation	1,847,495	-	1,028,929	2,327,535	1,508,969
Human services	366,807	-	-	-	(366,807)
Culture and recreation	398,043	-	107,860	-	(290,183)
Court related	1,185,498	223,424	442,441	-	(519,633)
Interest on long-term debt	10,933	-	-	-	(10,933)
Total	<u>\$ 13,537,480</u>	<u>\$ 2,138,660</u>	<u>\$ 2,917,624</u>	<u>\$ 2,492,910</u>	<u>(5,988,286)</u>
General revenues:					
Property taxes					2,362,893
Sales taxes - local option					640,740
Telecommunication tax					40,817
Intergovernmental revenues					2,784,390
Miscellaneous					155,957
Total general revenues					<u>5,984,797</u>
Change in net position					(3,489)
Net position - beginning of year, as restated					13,757,236
Net position - end of year					<u>\$ 13,753,747</u>

The accompanying notes to financial statements
are an integral part of this statement.

**UNION COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	General Fund	Emergency Medical Services	Special Law Enforcement	Transportation Trust Fund	Local Housing	Nonmajor Governmental Funds	Total
ASSETS							
Cash and equivalents	\$ 1,476,247	\$ 89,728	\$ 633,280	\$ 359,703	\$ 157,904	\$ 1,080,094	\$ 3,796,956
Investments	-	-	761,523	-	-	-	761,523
Accounts receivable, net	273	115,747	-	9	-	5,777	121,806
Prepaid items	98,460	-	-	-	-	-	98,460
Due from other governments	875,326	71	400	327,108	-	123,828	1,326,733
Due from other funds	111,845	38,267	-	170	-	14,040	164,322
Total assets	<u>\$ 2,562,151</u>	<u>\$ 243,813</u>	<u>\$ 1,395,203</u>	<u>\$ 686,990</u>	<u>\$ 157,904</u>	<u>\$ 1,223,739</u>	<u>\$ 6,269,800</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 306,303	\$ 10,339	\$ -	\$ 82,019	\$ 14,771	\$ 72,116	\$ 485,548
Accrued expenses	71,242	39,637	-	18,002	-	33,129	162,010
Due to other governments	78,285	1,022	-	-	-	18,761	98,068
Due to other funds	38,447	-	60,000	11,430	-	33,632	143,509
Unearned revenues	-	-	-	-	143,133	-	143,133
Total liabilities	<u>494,277</u>	<u>50,998</u>	<u>60,000</u>	<u>111,451</u>	<u>157,904</u>	<u>157,638</u>	<u>1,032,268</u>
Fund balances							
Nonspendable:							
Prepaid items	98,460	-	-	-	-	-	98,460
Restricted for:							
Court operations	108,233	-	-	-	-	86,203	194,436
Law enforcement	-	-	1,335,203	-	-	187,827	1,523,030
Transportation	-	-	-	575,539	-	-	575,539
Library	-	-	-	-	-	108,902	108,902
Other purposes	-	-	-	-	-	63,465	63,465
Assigned to:							
Emergency medical services	-	192,815	-	-	-	-	192,815
Solid waste operations	-	-	-	-	-	504,385	504,385
Emergency management	-	-	-	-	-	115,319	115,319
Jail reconstruction	60,000	-	-	-	-	-	60,000
Health reimbursement	52,510	-	-	-	-	-	52,510
Subsequent year's budget	878,985	-	-	-	-	-	878,985
Unassigned	869,686	-	-	-	-	-	869,686
Total fund balances	<u>2,067,874</u>	<u>192,815</u>	<u>1,335,203</u>	<u>575,539</u>	<u>-</u>	<u>1,066,101</u>	<u>5,237,532</u>
Total Liabilities and Fund Balances	<u><u>\$ 2,562,151</u></u>	<u><u>\$ 243,813</u></u>	<u><u>\$ 1,395,203</u></u>	<u><u>\$ 686,990</u></u>	<u><u>\$ 157,904</u></u>	<u><u>\$ 1,223,739</u></u>	<u><u>\$ 6,269,800</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

UNION COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Total fund balances - Governmental Funds	\$ 5,237,532
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Amounts reported for governmental activities in the statement of activities are different because:

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

Total governmental capital assets - nondepreciable	32,740,562	
Less: accumulated depreciation	(16,533,091)	16,207,471

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(9,275,696)	
Deferred outflows related to pensions	3,276,218	
Deferred inflows related to pensions	(781,057)	(6,780,535)

On the governmental fund statements, an OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the County's OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

Total OPEB liability	(100,632)	
Deferred outflows related to OPEB	354	
Deferred inflows related to OPEB	(55)	(100,333)

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Notes payable	(41,487)	
Capital leases	(429,129)	
Compensated absences	(339,772)	(810,388)

Net position of governmental activities	<u><u>\$ 13,753,747</u></u>
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The accompanying notes to financial statements
are an integral part of this statement.

UNION COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Emergency Medical Services	Special Law Enforcement	Transportation Trust Fund	Local Housing	Nonmajor Governmental Funds	Total
Revenues							
Taxes	\$ 2,928,063	\$ -	\$ -	\$ 974,177	\$ -	\$ 116,387	\$ 4,018,627
Licenses and permits	66,791	198,938	-	-	-	291,254	556,983
Intergovernmental	3,543,842	900	-	2,381,683	413,686	836,254	7,176,365
Charges for services	516,242	545,542	-	-	-	247,721	1,309,505
Fines and forfeitures	51,468	-	7,313	-	-	5,680	64,461
Miscellaneous revenues	105,071	7,909	30,861	4,666	339	71,804	220,650
Total revenues	<u>7,211,477</u>	<u>753,289</u>	<u>38,174</u>	<u>3,360,526</u>	<u>414,025</u>	<u>1,569,100</u>	<u>13,346,591</u>
Expenditures							
Current:							
General government	2,390,777	-	-	-	-	-	2,390,777
Public safety	2,673,803	1,460,504	-	-	-	786,196	4,920,503
Physical environment	295,424	-	-	-	-	918,466	1,213,890
Economic environment	7,165	-	-	-	414,025	-	421,190
Transportation	-	-	-	3,127,875	-	-	3,127,875
Human services	290,759	-	-	-	-	-	290,759
Culture and recreation	62,848	-	-	-	-	234,240	297,088
Court related	772,715	-	-	-	-	14,184	786,899
Debt service:							
Principal	12,821	67,979	-	147,769	-	-	228,569
Interest	-	1,402	-	15,728	-	-	17,130
Total expenditures	<u>6,506,312</u>	<u>1,529,885</u>	<u>-</u>	<u>3,291,372</u>	<u>414,025</u>	<u>1,953,086</u>	<u>13,694,680</u>
Excess (deficiency) of revenues over expenditures	<u>705,165</u>	<u>(776,596)</u>	<u>38,174</u>	<u>69,154</u>	<u>-</u>	<u>(383,986)</u>	<u>(348,089)</u>
Other financing sources (uses)							
Contributions from joint venture	-	-	-	-	-	200,000	200,000
Article V reversion	(30,269)	-	-	-	-	-	(30,269)
Transfers in	-	752,300	-	-	-	331,306	1,083,606
Transfers out	(1,083,606)	-	-	-	-	-	(1,083,606)
Total other financing sources (uses)	<u>(1,113,875)</u>	<u>752,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531,306</u>	<u>169,731</u>
Net change in fund balances	<u>(408,710)</u>	<u>(24,296)</u>	<u>38,174</u>	<u>69,154</u>	<u>-</u>	<u>147,320</u>	<u>(178,358)</u>
Fund balances, beginning of year	2,476,584	217,111	1,297,029	506,385	-	918,781	5,415,890
Fund balances, end of year	<u>\$ 2,067,874</u>	<u>\$ 192,815</u>	<u>\$ 1,335,203</u>	<u>\$ 575,539</u>	<u>\$ -</u>	<u>\$ 1,066,101</u>	<u>\$ 5,237,532</u>

The accompanying notes to financial statements
are an integral part of this statement.

**UNION 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, 2019**

Net change in fund balances-total governmental funds \$ (178,358)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	2,850,062
Removal of the net book value of capital assets disposed of	(6,323)
Depreciation expense	(1,378,147)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Repayment of principal of long-term debt	228,569
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:

Net change in compensated absences	(31,503)
Net pension liability and related deferred outflows and inflows	(1,340,636)
Total OPEB liability and related deferred outflows and inflows	(9,713)
Net change in prepaid expenses	(137,440)

Change in net position of governmental activities	\$ (3,489)
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The accompanying notes to financial statements
are an integral part of this statement.

UNION COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and equivalents	\$ 334,738
Receivables	1,205
Due from other funds	10
Total assets	<u>\$ 335,953</u>
LIABILITIES	
Assets held for others	\$ 220,987
Accounts payable and accrued expenses	975
Due to other funds	20,823
Due to other governments	93,168
Total liabilities	<u>\$ 335,953</u>
NET POSITION	<u>\$ -</u>

The accompanying notes to financial statements
are an integral part of this statement.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) Summary of Significant Accounting Policies:

The financial statements of the Union County, Florida (the County), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the County's significant accounting policies:

(a) **Reporting entity**—The Board of County Commissioners (the Board) is the legislative and governing body of the County. It operates under a non-charter form of government pursuant to the authority provided in the Constitution of the State of Florida and consists of five elected officials. Union County was established by Chapter 8516, Laws of Florida in 1921. The Clerk of the Circuit Court serves as Clerk to the Board pursuant to Section 125.17, Florida Statutes.

The Union County Special Library District is considered a component unit of the County. The Special Library District's financial transactions have been blended into the County's financial statements as a Special Revenue Fund, titled Public Library. The Board of County Commissioners established the Special Library District in July 1988, by adopting Ordinance 88-03. The Special Library District was created under the authority granted by Florida Statute Section 125.01.

The Board of County Commissioners and the offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. The offices of the Sheriff, Property Appraiser, and Supervisor of Elections operate on a budget system, whereby County-appropriated funds are received from the Board of County Commissioners, and any unexpended appropriations are required to be returned to the Board of County Commissioners at the end of the fiscal year. The Clerk's duties as Clerk to the Board, Clerk of the County Court, and Chief Financial Officer for the County are budgeted functions, funded by the Board. The Clerk's duties as Clerk of the Circuit Court are funded by fees collected by that office. The Tax Collector's salary and benefits are funded by the Board; all other expenditures are funded by fees collected by that office. Excess fees of the Tax Collector are returned to the Board at the end of the fiscal year.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) concentrate on the County as a whole. In addition, they report information on all of the non-fiduciary activities of the County. For the most part, the effect of inter-fund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses, 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. 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 and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in one column in the fund financial statements.

(c) **Measurement focus and basis of accounting**—The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

The accounting and financial reporting treatment is determined by the applicable measurement focus and the basis of accounting. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental 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 County considers revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes which is 60 days.

Property taxes, special assessments, intergovernmental revenues, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, certain expenditure relating to future periods, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

General Fund - The General fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund. Additionally, the general fund also accounts for activities related to the general fund of each constitutional officer.

Emergency Medical Services - The Emergency Medical Services fund (a special revenue fund) is used to account for ambulance and emergency medical assistance to Union County residents.

Special Law Enforcement Trust Fund - The Special Law Enforcement Trust fund (a special revenue fund) is used to account for the proceeds of forfeitures collected by the County and used to enhance the County's Sheriff Department.

Transportation Trust Fund – The Transportation Trust Fund is used to account for all revenues and expenditures for the County's transportation system.

Local Housing Assistance Trust Fund – The Local Housing Assistance Trust Fund is used to account for all revenues and expenditures related to the County's affordable housing initiatives.

The County reports the following other fund type:

Agency Funds - Agency funds are used to account for assets held by the County in a custodial or trustee capacity (assets equal liabilities). Agency funds do not involve the measurement of results of operations.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Cash and investments**—The institutions in which the County's monies are deposited are certified as a "Qualified Public Depository," as required under the Florida Public Deposits Act. This law requires every qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of an amount to be determined by the State Treasurer and requires the State Treasurer to ensure that funds are entirely collateralized throughout the fiscal year. Therefore, the County's total deposits are insured by the Federal Depository Insurance Corporation and the Bureau of Collateral Securities, Division of Treasury, State Department of Insurance.

(e) **Receivables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" and are eliminated in the government-wide financial statements. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

(f) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. Prepaid items are recognized as expenses when the related expenses are incurred.

(g) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the County. Capital assets are defined by the County as assets with an initial individual cost of \$1,000 or more and an estimated useful life of more than one-year. Such assets are recorded at historical cost, if purchased or constructed. Donated assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

Assets	Years
Buildings and Improvements	5 – 39 years
Infrastructure (Roads and Bridges)	20 years
Vehicles	3 – 10 years
Machinery and Equipment	3 – 10 years

(h) **Compensated absences**—The various County agencies maintain policies that permit employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation of service if certain criteria are met. These benefits, plus their related tax and retirement costs, are classified as compensated absences. The policies of the various County agencies vary as to the amount and the vesting of employee vacation leave time and in some instances sick time. The amount of vacation time is determined by the period of employment. Gross additions and deletions for compensated absences were not determined, accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year. The compensated absences liability is primarily liquidated by the general fund.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(i) **Long-term obligations**—In the government-wide financial statements, long-term debt obligations are reported as liabilities on the statement of net position. The compensated absences and net pension liabilities have been liquidated in the past by the reporting units of the underlying employees, including primarily the general fund, with some smaller amounts paid by other governmental funds.

(j) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only items in this category consist of deferred amounts related to pensions and OPEB, as discussed further in Notes (9) and (10), respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of financial position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only items in this category in Notes (9) and (10), respectively.

(k) **Fund equity**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The following classifications describe the relative strength of applicable spending constraints:

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts the County intends to use for a specific purpose as expressed at the highest level of decision making authority by the Board of County Commissioners.

Assigned – amounts the County intends to use for a specific purpose. Intent can be expressed by Board of County Commissioners or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The County does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the County's general practice when expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the County considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Property taxes**—Property tax revenues are recognized when levied, to the extent that they result in current receivables. Details of the property tax calendar are presented below:

Lien date	January 1
Levy date	October 1
Discount periods	November – February
No discount period	March
Delinquent date	April 1

(m) **Budgets and budgetary accounting**—Annual budgets are legally adopted by the Board of County Commissioners, on a basis consistent with generally accepted principles for the General Fund and special revenue funds. Formal budgetary integration is employed as a management control device during the year for all governmental funds.

The annual budget is prepared at the fund, department, and division level. The department directors submit requests for appropriations to the Clerk of Courts. The Clerk submits a recommended budget to the Board of County Commissioners. Public hearings on the proposed budget are held in September. On or before October 1, the budget is adopted by the Board of County Commissioners. Transfers between funds require Board approval. If during the fiscal year, there are additional available revenues for appropriation in excess of those estimated in the budget; the Board may make supplemental appropriations for the year, up to the amount of such excess revenues. Appropriations in all funds lapse at the close of the fiscal year to the extent that it has not been re-budgeted in the following fiscal year. The fund is the legal level of budgetary control.

The County was out of budgetary compliance in the Local Housing Assistance fund as actual expenditures in the exceeded the fund's budget by approximately \$64,000. This occurred primarily as a result of expenditures made from prior year grant allocation carryovers and beginning fund balance for which the budget was not amended.

(n) **Impact fees**—The County has not adopted any ordinances or resolutions to levy impact fees in accordance with Section 163.31801, *Florida Statutes*.

(o) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(3) Deposits and Investments:

Florida Statutes authorize the County to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool created by the Florida Association of Court Clerks and the Florida Association of Counties for the purpose of providing public entities with an investment program that focuses on longer term securities with the highest credit ratings. The effective maturity of the underlying investment is five years or less. At year end, the FLGIT was invested in money markets, treasury notes, asset-backed securities and Federal agency obligations. The investment type is subject to some market risk due to fluctuating prices and liquidity risk due to advance redemption notification requirements. However, it has a professional investment advisor and an investment advisory board. The FLGIT maintains a credit rating of AA+ by Standard & Poor's and the weighted average maturity of the funds was 30 days. A copy of FLGIT's most recent financial statements can be found at <http://floridatrustonline.com>. At September 30, 2019, the County had \$761,523 invested with FLGIT.

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The County places no limit on the amount that may be invested in any one issuer.

(4) Interfund Balances and Transfers:

Transfers from/to other funds for the year ended September 30, 2019, were as follows:

<u>Recipient Fund</u>	<u>Amount</u>	<u>Reason for Transfer</u>
Emergency Medical Services	\$ 752,300	Transfer from General Fund to aid in operating costs
Emergency Management	66,306	Transfer from General Fund to aid in operating costs
Solid Waste Management	130,000	Transfer from General Fund to aid in operating costs
911	135,000	Transfer from General Fund to aid in operating costs
	<u>\$ 1,083,606</u>	

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(4) **Interfund Balances and Transfers:** (Continued)

As of September 30, 2019, interfund balances consisted of:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 111,845	\$ 38,447
Special Revenue Funds		
Major Funds:		
Emergency Medical Services	38,267	-
Special Law Enforcement	-	60,000
Transportation Trust	170	11,430
Local Housing Assistance Trust	-	-
Nonmajor Funds:		
Emergency Management	6,283	-
Solid Waste Management	6,514	-
Public Library	-	-
Clerks Record Modernization Trust	1,243	-
E911	-	33,632
Agency Funds:		
Clerk of the Court Agency	10	20,823
Total	<u>\$ 164,332</u>	<u>\$ 164,332</u>

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(5) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2019, was as follows:

Governmental Activities:	Balance 9/30/18	Increases	Decreases	Balance 9/30/19
Capital Assets, Not Being Depreciated:				
Land	\$ 1,077,564	\$ -	\$ -	\$ 1,077,564
Construction in Progress	770,528	437,439	(499,699)	708,268
Total Capital Assets Not Being Depreciated	1,848,092	437,439	(499,699)	1,785,832
Capital Assets Being Depreciated:				
Buildings and Improvements	7,604,329	32,960	-	7,637,289
Infrastructure - Roads	12,441,351	2,532,141	-	14,973,492
Vehicles	3,515,224	119,809	(50,558)	3,584,475
Library Materials	256,743	-	-	256,743
Machinery and Equipment	4,384,055	227,412	(390,577)	4,220,890
Assets Under Capital Lease	281,841	-	-	281,841
Total Capital Assets Being Depreciated	28,483,543	2,912,322	(441,135)	30,954,730
Less Accumulated Depreciation For:				
Buildings and Improvements	3,847,972	176,005	-	4,023,977
Infrastructure - Roads	5,158,734	652,963	-	5,811,697
Vehicles	2,879,456	170,499	(50,558)	2,999,397
Library Materials	203,637	12,966	-	216,603
Machinery and Equipment	3,408,205	309,346	(384,254)	3,333,297
Assets Under Capital Lease	91,752	56,368	-	148,120
Total Accumulated Depreciation	15,589,756	1,378,147	(434,812)	16,533,091
Total Capital Assets, Net of Depreciation	12,893,787	1,534,175	(6,323)	14,421,639
Governmental Activities Capital Assets, Net	\$ 14,741,879	\$ 1,971,614	\$ (506,022)	\$ 16,207,471

Depreciation expense was charged to programs for the County as follows:

Governmental Activities	
General Government	\$ 113,545
Public Safety	255,247
Physical Environment	93,582
Transportation	721,454
Human Services	47,084
Court Related	75,874
Culture and Recreation	71,361
Total Depreciation Expense	\$ 1,378,147

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(6) Long-Term Debt:

Notes Payable

The County has entered into various long-term note agreements, which are summarized below:

Note payable to Community State Bank to assist in purchase of ambulance, interest rate of 2.68%, payable from Emergency Medical Services through September 2022. Loan secured by non ad-valorem taxes. \$ 41,487

The following schedule provides future debt service requirements of the notes payable:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 13,341	\$ 939	\$ 14,280
2021	13,703	577	14,280
2022	14,443	205	14,648
2023	-	-	-
2024	-	-	-
Total	<u>\$ 41,487</u>	<u>\$ 1,721</u>	<u>\$ 43,208</u>

Capital Leases

The County leases heavy equipment under agreements that are classified as capital leases. The agreements bear interest rates ranging from 3.00% to 7.50%. The future minimum lease payments required and the present value of the net minimum lease payments at September 30, 2019, are as follows:

<u>Year Ending September 30,</u>	<u>Payment</u>
2020	\$ 70,569
2021	70,569
2022	190,238
2023	132,510
2024	-
Total Minimum Lease Payments	<u>463,886</u>
Less: Amount Representing Interest	<u>34,757</u>
Present Value of Minimum Lease Payments	<u>\$ 429,129</u>

Amortization of leased equipment under capital assets is included with depreciation expense.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(6) Long-Term Debt: (Continued)

The following is a summary of changes in long-term debt of the County for the year ended September 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes payable	\$ 213,794	\$ -	\$ 172,307	\$ 41,487	\$ 13,341
Capital leases	485,391	-	56,262	429,129	57,974
Compensated absences	308,269	237,534	206,031	339,772	161,172
Total Long-Term Liabilities	<u>\$ 1,007,454</u>	<u>\$ 237,534</u>	<u>\$ 434,600</u>	<u>\$ 810,388</u>	<u>\$ 232,487</u>

(7) Joint Venture and Jointly-Governed Organization:

New River Public Library Cooperative

The governments of Baker, Bradford and Union Counties established the New River Public Library Cooperative (the Cooperative) through an interlocal agreement, executed in 1996. The Cooperative was established to provide a single library administrative unit for the citizens of the tri-county region, in order to provide free library service to its residents. The Cooperative is governed by a Board of Directors, whose members are appointed by each participating government. The Board of Directors has control over the budgeting and financing of the Cooperative.

The Board received \$12,000 from New River Public Library Cooperative in rental charge in fiscal year 2018. The charges include the cost of office space and utilities provided by Union County.

The Cooperative's condensed financial information, as of and for the year ended September 30, 2018, (latest available information), is hereafter presented:

Total Assets	\$	383,75
	1	
Total Liabilities	\$	19,767
Total Net Position	\$	363,984
Total Revenues	\$	341,602
Total Expenses	\$	258,598
Change in Net Position	\$	83,004

A copy of the Cooperative's financial statements can be obtained by written request at the following address: 110 North Lake Avenue, Lake Butler, Florida 32054.

New River Solid Waste Association

The governments of Baker, Bradford and Union Counties established the New River Solid Waste Association (the Association) through an interlocal agreement, executed on July 5, 1988. The Association was established to provide a regional approach to solid waste management for the citizens of the tri-county region, without regard to political or governmental boundaries, in order to promote and protect the public health, welfare and safety of the citizens. The Association has all the powers and authorities enumerated in Florida Statute, Chapter 163.01, *Florida Interlocal Cooperation Act of 1969*, plus additional powers as described in the interlocal agreement, including the ability to acquire real or personal property, the ability to sue and be sued, and the ability to incur debts, borrow money, and issue evidences of indebtedness. The County has an ongoing financial responsibility for the continued existence of the Association.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(7) Joint Venture and Jointly-Governed Organization (Continued)

The Association is governed by a Board of Directors, whose members are appointed by each participating government. The Board of Directors has control over the budgeting and financing of the Association.

The County received distributions (host fees) from the Association in the amount of \$200,000 in fiscal year 2019. The Association's condensed financial information, as of and for the year ended September 30, 2018 (latest available information), is hereafter presented:

Total Assets	\$	57,270,766
Total Deferred Outflow of Resources	\$	386,090
Total Liabilities	\$	15,988,063
Total Deferred Inflow of Resources	\$	52,693
Total Net Positions	\$	41,616,100
Total Revenues	\$	9,187,651
Total Non-Operating Revenues (Expenses)	\$	(584,899)
Total Expenses	\$	623,533
Change in Net Position	\$	7,979,219

A copy of the Association's financial statements can be obtained by written request at the following address: Post Office Box 647, Raiford, Florida 32083.

(8) Commitments and Contingencies:

Various suits and claims arising in the ordinary course of the County's operations, some of which involve substantial amounts, are pending against the County.

The ultimate effect of such litigation cannot be ascertained at this time. However, in the opinion of counsel for the County, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the County or the results of its operations, nor is it anticipated that any material amount will be paid for claims and judgments in the next fiscal year.

(9) Employees' Retirement Plans:

Florida Retirement System

Plan Description and Administration

The County participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the County's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(9) Employees' Retirement Plans: (Continued)

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. 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.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(9) **Employees' Retirement Plans:** (Continued)

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The County participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2019, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2019	After June 30, 2019
Regular Class	8.26%	8.47%
Senior Management	24.06%	25.41%
Special Risk	24.50%	25.48%
Elected Official	48.70%	48.82%
DROP	14.03%	14.60%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll.

For the plan year ended June 30, 2019, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions – FRS	\$ 699,786
Entity Contributions – HIS	74,612
Employee Contributions – FRS	134,841

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At September 30, 2019, the entity reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 7,772,277
HIS	1,503,419
Total	<u>\$ 9,275,696</u>

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(9) Employees' Retirement Plans: (Continued)

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2019 and June 30, 2018, the County's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2019</u>	<u>2018</u>
FRS	0.022568499%	0.021830546%
HIS	0.013436578%	0.012972053%

For the year ended June 30, 2019, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 2,018,686
HIS	110,593
Total	<u>\$ 2,129,279</u>

Deferred outflows/inflows related to pensions:

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 460,996	\$ (4,823)	\$ 18,261	\$ (1,841)
Changes of assumptions	1,996,255	-	174,082	(122,877)
Net different between projected and actual investment earnings	-	(430,003)	970	-
Change in proportionate share	335,832	(153,992)	86,393	(67,520)
Contributions subsequent to measurement date	184,100	-	19,329	-
	<u>\$ 2,977,183</u>	<u>\$ (588,819)</u>	<u>\$ 299,035</u>	<u>\$ (192,238)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

2020	\$ 662,278
2021	604,362
2022	559,450
2023	298,510
2024	116,567
Thereafter	50,565
Total	<u>\$ 2,291,732</u>

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(9) Employees' Retirement Plans: (Continued)

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.90%. This rate decreased from the prior year rate, which was 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.87%. Mortality assumptions for both plans were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2019, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Expected Rate of Return</u>
Cash	1.0%	3.3%
Fixed income	18.0%	4.1%
Global equities	54.0%	8.0%
Real estate	10.0%	6.7%
Private equity	11.0%	11.2%
Strategic investments	6.0%	5.9%
Total	<u>100.0%</u>	

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(9) **Employees' Retirement Plans:** (Continued)

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the entity calculated using the current discount rates, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

<u>Plan</u>	<u>Current Discount Rate</u>	<u>NPL with 1% Decrease</u>	<u>NPL at Current Discount Rate</u>	<u>NPL with 1% Increase</u>
FRS	6.90%	\$ 13,435,678	\$ 7,772,277	\$ 3,042,378
HIS	3.50	1,716,229	1,503,419	1,326,171

(10) **Other Post-Employment Benefits (OPEB):**

Plan Description—Effective October 1, 2018, the County implemented GASB Statement No. 75, *Accounting and Reporting for Post-Employment Benefits Other Than Pensions*, for certain post-employment healthcare benefits provided by the County. The County elected to implement the requirements of this statement prospectively. No assets are held in trust for payment of the OPEB liability as the County had no OPEB liability other than as arising from the implicit rate subsidy, as discussed in the following paragraph.

Retirees and their dependents are permitted to remain covered under the County's respective health care plans as long as they pay a full premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

Benefits Provided—The Other Post-Employment Benefit 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 actually have a higher cost which means the County is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. GASB No. 75 calls this the "implicit rate subsidy."

Plan Membership—At October 1, 2019, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	60
Inactive Employees	-
	<u>60</u>

Total OPEB Liability—The County's total OPEB liability of \$100,632 was measured as of September 30, 2019, and was determined by an actuarial valuation at October 1, 2019.

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(10) **Other Post-Employment Benefits (OPEB):** (Continued)

Actuarial Assumptions and Other Inputs—The total OPEB liability at the September 30, 2019 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%
Discount rate	3.58%
Healthcare cost trend rate	7.00 - 4.50%

The County does not have a dedicated trust to pay retiree healthcare benefits. The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2019.

Mortality rates were based on the PubS.H-2010 General Mortality Table.

Changes in the OPEB liability for the fiscal year ended September 30, 2019, were as follows:

	Total OPEB Liability
Balance at September 30, 2018	\$ 90,620
Changes for a year:	
Service cost	6,385
Interest	3,299
Changes of assumptions	388
Other changes	(60)
Net changes	10,012
Balance at September 30, 2019	\$ 100,632

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

The following presents the total OPEB liability of the County calculated using the discount rate of 3.58%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.58%) or 1% higher (4.58%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 108,700	\$ 100,632	\$ 93,218

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

The following 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 healthcare cost trend rates that are 1% lower (6.00% decreasing to 5.00%) or 1% higher (8.00% decreasing to 7.00%) than the current healthcare cost trend rates (7.00% decreasing to 6.00%):

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 90,464	\$ 100,632	\$ 112,518

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(10) **Other Post-Employment Benefits (OPEB):** (Continued)

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

For the year ended September 30, 2019, the County recognized OPEB expense of \$9,713. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 354	\$ 55

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended September 30:</u>	<u>Amortization</u>
2020	\$ 29
2021	29
2022	29
2023	29
2024	29
Thereafter	154

(11) **Restatement of Net Position:**

Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; was issued June 2015 and was implemented by the County, beginning with its year ending September 30, 2019. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. Prior to the current fiscal year, the County had previously never implemented any of the applicable OPEB standards.

The County's implementation of this Statement has required the restatement of certain liabilities as deferred outflows or deferred inflows of resources in the Statement of Net Position. Statement No. 75 established standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. Recognition of these liabilities requires a restatement to the prior year's net position in governmental activities.

The impact of the restatement on the governmental activities beginning net position at September 30, 2018, is as follows:

Governmental Activities:

Net position – September 30, 2018, as originally reported	\$ 13,847,856
Recording of beginning OPEB liability	(90,620)
Net position – September 30, 2018, as restated	<u>\$ 13,757,236</u>

UNION COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(12) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the County's financial statements:

- (a) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2019.
- (b) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.
- (c) GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, in August 2018. GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2019.
- (d) GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions in GASB 91 are effective for periods beginning after December 15, 2021.

(13) Subsequent Events:

Subsequent to September 30, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending and investment markets have been substantially impacted. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the County as of May 22, 2020, management believes that a material impact on County's financial position and results of future operations is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 3,039,204	\$ 3,039,204	\$ 2,928,063	\$ (111,141)
Licenses and permits	67,000	67,000	66,791	(209)
Intergovernmental	3,729,582	3,852,763	3,543,842	(308,921)
Charges for services	436,227	436,227	516,242	80,015
Fines and forfeitures	63,200	63,200	51,468	(11,732)
Miscellaneous revenues	36,625	37,139	105,071	67,932
FS 129 Statutory Reduction	(330,479)	(330,479)	-	330,479
Total revenues	7,041,359	7,165,054	7,211,477	46,423
Expenditures				
Current:				
General government	2,381,084	2,418,210	2,390,777	27,433
Public safety	2,784,180	2,784,180	2,673,803	110,377
Physical environment	507,502	512,502	295,424	217,078
Economic environment	7,481	7,481	7,165	316
Transportation	-	-	-	-
Human services	350,584	350,584	290,759	59,825
Culture and recreation	55,800	70,800	62,848	7,952
Court related	791,411	796,787	772,715	24,072
Debt service:				
Principal	12,821	12,821	12,821	-
Total expenditures	6,890,863	6,953,365	6,506,312	447,053
Excess (deficiency) of revenues over expenditures	150,496	211,689	705,165	493,476
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(1,021,306)	(1,113,606)	(1,083,606)	30,000
Article V reversion	-	-	(30,269)	(30,269)
Total other financing sources (uses)	(1,021,306)	(1,113,606)	(1,113,875)	(269)
Net change in fund balance	(870,810)	(901,917)	(408,710)	493,207
Fund balance, beginning of year	2,476,584	2,476,584	2,476,584	-
Fund balance, end of year	\$ 1,605,774	\$ 1,574,667	\$ 2,067,874	\$ 493,207

The accompanying notes to required supplementary information are an integral part of this schedule.

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EMERGENCY MEDICAL SERVICES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and permits	\$ 199,000	\$ 199,000	\$ 198,938	\$ (62)
Charges for services	651,200	651,200	545,542	(105,658)
Miscellaneous revenues	-	-	7,909	7,909
FS 129 Statutory Reduction	(32,310)	(32,310)	-	32,310
Total revenues	<u>817,890</u>	<u>817,890</u>	<u>753,289</u>	<u>(64,601)</u>
Expenditures				
Current:				
Public safety	1,625,621	1,656,121	1,460,504	195,617
Debt service:				
Principal	35,936	67,294	67,979	(685)
Interest	1,633	2,075	1,402	673
Total expenditures	<u>1,663,190</u>	<u>1,725,490</u>	<u>1,529,885</u>	<u>195,605</u>
Excess (deficiency) of revenues over expenditures	<u>(845,300)</u>	<u>(907,600)</u>	<u>(776,596)</u>	<u>131,004</u>
Other financing sources (uses)				
Transfers in	690,000	752,300	752,300	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>690,000</u>	<u>752,300</u>	<u>752,300</u>	<u>-</u>
Net change in fund balance	<u>(155,300)</u>	<u>(155,300)</u>	<u>(24,296)</u>	<u>131,004</u>
Fund balance, beginning of year	217,111	217,111	217,111	-
Fund balance, end of year	<u>\$ 61,811</u>	<u>\$ 61,811</u>	<u>\$ 192,815</u>	<u>\$ 131,004</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL LAW ENFORCEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ 1,000	\$ 1,000	\$ 7,313	\$ 6,313
Miscellaneous revenues	3,500	3,500	30,861	27,361
FS 129 Statutory Reduction	(225)	(225)	-	225
Total revenues	<u>4,275</u>	<u>4,275</u>	<u>38,174</u>	<u>33,899</u>
Expenditures				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>4,275</u>	<u>4,275</u>	<u>38,174</u>	<u>33,899</u>
Other financing sources (uses)				
Transfers in	-	30,000	-	(30,000)
Net change in fund balance	<u>4,275</u>	<u>34,275</u>	<u>38,174</u>	<u>3,899</u>
Fund balance, beginning of year	1,297,029	1,297,029	1,297,029	-
Fund balance, end of year	<u>\$ 1,301,304</u>	<u>\$ 1,331,304</u>	<u>\$ 1,335,203</u>	<u>\$ 3,899</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - TRANSPORTATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,001,911	\$ 1,001,911	\$ 974,177	\$ (27,734)
Intergovernmental	1,509,472	2,734,882	2,381,683	(353,199)
Miscellaneous revenues	2,750	2,750	4,666	1,916
Total revenues	<u>2,514,133</u>	<u>3,739,543</u>	<u>3,360,526</u>	<u>(379,017)</u>
Expenditures				
Current:				
Transportation	2,561,400	3,732,662	3,127,875	604,787
Debt service:				
Principal	158,436	158,436	147,769	10,667
Interest	8,262	8,262	15,728	(7,466)
Total expenditures	<u>2,728,098</u>	<u>3,899,360</u>	<u>3,291,372</u>	<u>607,988</u>
Net change in fund balance	<u>(213,965)</u>	<u>(159,817)</u>	<u>69,154</u>	<u>228,971</u>
Fund balance, beginning of year	506,385	506,385	506,385	-
Fund balance, end of year	<u>\$ 292,420</u>	<u>\$ 346,568</u>	<u>\$ 575,539</u>	<u>\$ 228,971</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LOCAL HOUSING
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 350,000	\$ 350,000	\$ 413,686	\$ 63,686
Miscellaneous revenues	240	240	339	99
Total revenues	<u>350,240</u>	<u>350,240</u>	<u>414,025</u>	<u>63,785</u>
Expenditures				
Current:				
Economic environment	350,240	350,240	414,025	(63,785)
Total expenditures	<u>350,240</u>	<u>350,240</u>	<u>414,025</u>	<u>(63,785)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

**UNION COUNTY, FLORIDA
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SEPTEMBER 30, 2019**

Note to Budgetary Comparison Schedules:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end. Budgeted excess expenditures over revenues are funded through transfers in and use of fund balance reserves.

UNION COUNTY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

	<u>2019</u>
Total OPEB Liability	
Service cost	\$ 6,385
Interest	3,299
Changes of assumptions	388
Other changes	(60)
Net change in total OPEB liability	10,012
Total OPEB liability - beginning of year	90,620
Total OPEB liability - end of year	<u>\$ 100,632</u>
 Covered payroll	 \$ 3,727,479
Total OPEB liability as a percentage of covered payroll	2.70%

Notes to Schedule:

Valuation date: 10/1/2019

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Discount rate	3.58%
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*10 years of data will be presented as it becomes available.

UNION COUNTY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS
(UNAUDITED)

	As of the Plan Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)						
Proportion of the net pension liability	0.022568499%	0.021830546%	0.022073095%	0.021987085%	0.021787096%	0.020146996%
Proportionate share of the net pension liability	\$ 7,772,277	\$ 6,575,474	\$ 6,529,072	\$ 5,551,756	\$ 2,814,094	\$ 1,229,263
Covered payroll	4,494,699	4,237,818	4,227,364	4,040,432	3,531,179	3,986,652
Proportionate share of the net pension liability as a percentage of covered payroll	172.92%	155.16%	154.45%	137.41%	79.69%	30.83%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
Health Insurance Subsidy Program (HIS)						
Proportion of the net pension liability	0.013436578%	0.012972053%	0.013038961%	0.013182168%	0.013182168%	0.013298568%
Proportionate share of the net pension liability	\$ 1,503,419	\$ 1,372,976	\$ 1,394,186	\$ 1,519,503	\$ 1,344,375	\$ 1,243,449
Covered payroll	4,494,699	4,237,818	4,227,364	4,040,432	3,531,179	3,986,652
Proportionate share of the net pension liability as a percentage of covered payroll	33.45%	32.40%	32.98%	37.61%	38.07%	31.19%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

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

**UNION COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

	As of the Plan Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Florida Retirement System (FRS)						
Contractually required contribution	\$ 699,786	\$ 622,153	\$ 635,819	\$ 581,842	\$ 578,089	\$ 555,913
Contributions in relation to the contractually required contribution	(699,786)	(622,153)	(635,819)	(581,842)	(578,089)	(555,913)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,494,699	\$ 4,237,818	\$ 4,227,364	\$ 4,040,432	\$ 3,531,179	\$ 3,986,652
Contributions as a percentage of covered payroll	15.57%	14.68%	15.04%	14.40%	16.37%	13.94%
Health Insurance Subsidy Program (HIS)						
Contractually required contribution	\$ 74,612	\$ 70,348	\$ 70,174	\$ 67,071	\$ 44,493	\$ 47,840
Contributions in relation to the contractually required contribution	(74,612)	(70,348)	(70,174)	(67,071)	(44,493)	(47,840)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,494,699	\$ 4,237,818	\$ 4,227,364	\$ 4,040,432	\$ 3,531,179	\$ 3,986,652
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.26%	1.20%

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

SUPPLEMENTAL INFORMATION

**UNION COUNTY, FLORIDA
COMBINING BALANCE SHEET
BOARD AND OFFICER GENERAL FUNDS
SEPTEMBER 30, 2019**

	Board of County Commissioners	Clerk of Circuit Court	Sheriff	Tax Collector	Property Appraiser	Supervisor of Elections	Subtotals	Interfund Eliminations	Totals
ASSETS									
Cash and cash equivalents	\$ 1,035,159	\$ 219,107	\$ 202,326	\$ 6,405	\$ 11,596	\$ 1,654	\$ 1,476,247	\$ -	\$ 1,476,247
Accounts receivable	25	248	-	-	-	-	273	-	273
Prepaid items	98,460	-	-	-	-	-	98,460	-	98,460
Due from other governments	849,250	17,973	-	-	8,103	-	875,326	-	875,326
Due from constitutional officers	133,020	-	-	-	-	-	133,020	133,020	-
Due from other funds	92,265	19,580	-	-	-	-	111,845	-	111,845
Total Assets	<u>\$ 2,208,179</u>	<u>\$ 256,908</u>	<u>\$ 202,326</u>	<u>\$ 6,405</u>	<u>\$ 19,699</u>	<u>\$ 1,654</u>	<u>\$ 2,695,171</u>	<u>\$ 133,020</u>	<u>\$ 2,562,151</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 129,831	\$ 10,589	\$ 165,883	\$ -	\$ -	\$ -	\$ 306,303	\$ -	\$ 306,303
Accrued expenses	32,363	24,857	-	-	14,022	-	71,242	-	71,242
Due to other governments	47,907	30,269	-	-	109	-	78,285	-	78,285
Due to Board of County Commissioners	-	82,950	36,443	6,405	5,568	1,654	133,020	133,020	-
Due to other funds	38,437	10	-	-	-	-	38,447	-	38,447
Total liabilities	<u>248,538</u>	<u>148,675</u>	<u>202,326</u>	<u>6,405</u>	<u>19,699</u>	<u>1,654</u>	<u>627,297</u>	<u>133,020</u>	<u>494,277</u>
Fund Balances									
Nonspendable - prepaid items	98,460	-	-	-	-	-	98,460	-	98,460
Restricted for court operations	-	108,233	-	-	-	-	108,233	-	108,233
Assigned to:									
Jail reconstruction	60,000	-	-	-	-	-	60,000	-	60,000
Health reimbursement	52,510	-	-	-	-	-	52,510	-	52,510
Subsequent year's budget	878,985	-	-	-	-	-	878,985	-	878,985
Unassigned	869,686	-	-	-	-	-	869,686	-	869,686
Total fund balances	<u>1,959,641</u>	<u>108,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,067,874</u>	<u>-</u>	<u>2,067,874</u>
Total Liabilities and Fund balances	<u>\$ 2,208,179</u>	<u>\$ 256,908</u>	<u>\$ 202,326</u>	<u>\$ 6,405</u>	<u>\$ 19,699</u>	<u>\$ 1,654</u>	<u>\$ 2,695,171</u>	<u>\$ 133,020</u>	<u>\$ 2,562,151</u>

UNION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BOARD AND OFFICER GENERAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Board of County Commissioners	Clerk of Circuit Court	Sheriff	Tax Collector	Property Appraiser	Supervisor of Elections	Subtotals	Interfund Eliminations	Totals
Revenues									
Taxes	\$ 2,928,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,928,063	\$ -	\$ 2,928,063
Licenses and permits	66,791	-	-	-	-	-	66,791	-	66,791
Intergovernmental	3,113,924	421,831	-	-	8,087	-	3,543,842	-	3,543,842
Charges for services	120,561	159,430	-	235,496	200	555	516,242	-	516,242
Fines and forfeitures	22,745	28,723	-	-	-	-	51,468	-	51,468
Miscellaneous revenues	97,026	6,954	-	333	758	-	105,071	-	105,071
Total revenues	<u>6,349,110</u>	<u>616,938</u>	<u>-</u>	<u>235,829</u>	<u>9,045</u>	<u>555</u>	<u>7,211,477</u>	<u>-</u>	<u>7,211,477</u>
Expenditures									
Current:									
General government	948,041	233,863	23,292	347,658	419,635	418,288	2,390,777	-	2,390,777
Public safety	514,499	-	2,159,304	-	-	-	2,673,803	-	2,673,803
Physical environment	295,424	-	-	-	-	-	295,424	-	295,424
Economic environment	7,165	-	-	-	-	-	7,165	-	7,165
Human services	290,759	-	-	-	-	-	290,759	-	290,759
Culture and recreation	62,848	-	-	-	-	-	62,848	-	62,848
Court related	269,095	503,620	-	-	-	-	772,715	-	772,715
Debt service:									
Principal	-	-	-	-	-	12,821	12,821	-	12,821
Total expenditures	<u>2,387,831</u>	<u>737,483</u>	<u>2,182,596</u>	<u>347,658</u>	<u>419,635</u>	<u>431,109</u>	<u>6,506,312</u>	<u>-</u>	<u>6,506,312</u>
Excess (deficiency) of revenues over expenditures	<u>3,961,279</u>	<u>(120,545)</u>	<u>(2,182,596)</u>	<u>(111,829)</u>	<u>(410,590)</u>	<u>(430,554)</u>	<u>705,165</u>	<u>-</u>	<u>705,165</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(1,083,606)	-	-	-	-	-	(1,083,606)	-	(1,083,606)
Appropriations to constitutional officers	(3,429,863)	244,224	2,219,039	118,234	416,158	432,208	-	-	-
Article V reversion	-	(30,269)	-	-	-	-	(30,269)	-	(30,269)
Reversions from constitutional officers	132,915	(82,845)	(36,443)	(6,405)	(5,568)	(1,654)	-	-	-
Total other financing sources	<u>(4,380,554)</u>	<u>131,110</u>	<u>2,182,596</u>	<u>111,829</u>	<u>410,590</u>	<u>430,554</u>	<u>(1,113,875)</u>	<u>-</u>	<u>(1,113,875)</u>
Net change in fund balances	<u>(419,275)</u>	<u>10,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(408,710)</u>	<u>-</u>	<u>(408,710)</u>
Fund balances, beginning of year	<u>2,378,916</u>	<u>97,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,476,584</u>	<u>-</u>	<u>2,476,584</u>
Fund balances, end of year	<u>\$ 1,959,641</u>	<u>\$ 108,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,067,874</u>	<u>\$ -</u>	<u>\$ 2,067,874</u>

UNION COUNTY, FLORIDA
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Sheriff Surcharge	Solid Waste	911	Emergency Management	Public Library	County Law Enforcement	Clerk Records Modernization	Sheriff Inmate Welfare	Intergovernmental Shared Revenue	Totals
ASSETS										
Cash and cash equivalents	\$ 44,321	\$ 524,528	\$ 109,949	\$ 98,393	\$ 116,394	\$ 33,145	\$ 89,899	\$ 63,465	\$ -	\$ 1,080,094
Accounts receivable, net	-	5,777	-	-	-	-	-	-	-	5,777
Due from other governments	-	43,747	42,380	37,697	4	-	-	-	-	123,828
Due from other funds	-	6,514	-	6,283	-	-	1,243	-	-	14,040
Total Assets	\$ 44,321	\$ 580,566	\$ 152,329	\$ 142,373	\$ 116,398	\$ 33,145	\$ 91,142	\$ 63,465	\$ -	\$ 1,223,739
LIABILITIES AND FUND BALANCES										
Liabilities										
Accounts payable	\$ -	\$ 41,585	\$ 2,071	\$ 23,394	\$ 127	\$ -	\$ 4,939	\$ -	\$ -	\$ 72,116
Accrued expenses	-	15,896	6,265	3,660	7,308	-	-	-	-	33,129
Due to other governments	-	18,700	-	-	61	-	-	-	-	18,761
Due to other funds	-	-	33,632	-	-	-	-	-	-	33,632
Unearned revenues	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	76,181	41,968	27,054	7,496	-	4,939	-	-	157,638
Fund Balances										
Restricted for:										
Court operations	-	-	-	-	-	-	86,203	-	-	86,203
Law enforcement	44,321	-	110,361	-	-	33,145	-	-	-	187,827
Library	-	-	-	-	108,902	-	-	-	-	108,902
Other purposes	-	-	-	-	-	-	-	63,465	-	63,465
Assigned to:										
Solid waste operations	-	504,385	-	-	-	-	-	-	-	504,385
Emergency management	-	-	-	115,319	-	-	-	-	-	115,319
Total fund balances	44,321	504,385	110,361	115,319	108,902	33,145	86,203	63,465	-	1,066,101
Total Liabilities and Fund balances	\$ 44,321	\$ 580,566	\$ 152,329	\$ 142,373	\$ 116,398	\$ 33,145	\$ 91,142	\$ 63,465	\$ -	\$ 1,223,739

UNION COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Sheriff Surcharge	Solid Waste	911	Emergency Management	Public Library	County Law Enforcement	Clerk Records Modernization	Sheriff Inmate Welfare	Intergovernmental Shared Revenue	Total
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 116,387	\$ -	\$ -	\$ -	\$ -	\$ 116,387
Licenses and permits	-	291,254	-	-	-	-	-	-	-	291,254
Intergovernmental	-	140,909	288,353	143,448	90,679	-	-	-	172,865	836,254
Charges for services	-	230,407	-	-	-	-	14,260	3,054	-	247,721
Fines and forfeitures	4,546	-	-	-	-	1,134	-	-	-	5,680
Miscellaneous revenues	-	40,929	64	-	30,811	-	-	-	-	71,804
Total revenues	<u>4,546</u>	<u>703,499</u>	<u>288,417</u>	<u>143,448</u>	<u>237,877</u>	<u>1,134</u>	<u>14,260</u>	<u>3,054</u>	<u>172,865</u>	<u>1,569,100</u>
Expenditures										
Current:										
Public safety	-	-	392,117	183,060	-	-	-	-	211,019	786,196
Physical environment	-	918,466	-	-	-	-	-	-	-	918,466
Culture and recreation	-	-	-	-	234,240	-	-	-	-	234,240
Court related	-	-	-	-	-	-	14,184	-	-	14,184
Total expenditures	<u>-</u>	<u>918,466</u>	<u>392,117</u>	<u>183,060</u>	<u>234,240</u>	<u>-</u>	<u>14,184</u>	<u>-</u>	<u>211,019</u>	<u>1,953,086</u>
Excess (deficiency) of revenues over expenditures	<u>4,546</u>	<u>(214,967)</u>	<u>(103,700)</u>	<u>(39,612)</u>	<u>3,637</u>	<u>1,134</u>	<u>76</u>	<u>3,054</u>	<u>(38,154)</u>	<u>(383,986)</u>
Other financing sources (uses)										
Contributions from joint venture	-	200,000	-	-	-	-	-	-	-	200,000
Transfers in	-	130,000	135,000	66,306	-	-	-	-	-	331,306
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>330,000</u>	<u>135,000</u>	<u>66,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531,306</u>
Net change in fund balances	<u>4,546</u>	<u>115,033</u>	<u>31,300</u>	<u>26,694</u>	<u>3,637</u>	<u>1,134</u>	<u>76</u>	<u>3,054</u>	<u>(38,154)</u>	<u>147,320</u>
Fund balances, beginning of year	39,775	389,352	79,061	88,625	105,265	32,011	86,127	60,411	38,154	918,781
Fund balances, end of year	<u>\$ 44,321</u>	<u>\$ 504,385</u>	<u>\$ 110,361</u>	<u>\$ 115,319</u>	<u>\$ 108,902</u>	<u>\$ 33,145</u>	<u>\$ 86,203</u>	<u>\$ 63,465</u>	<u>\$ -</u>	<u>\$ 1,066,101</u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SHERIFF SURCHARGE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ -	\$ 7,500	\$ 4,546	\$ (2,954)
FS 129 Statutory Reduction	-	(375)	-	375
Total revenues	-	7,125	4,546	(2,579)
Expenditures				
Current:				
Public safety	-	15,000	-	15,000
Net change in fund balance	-	(7,875)	4,546	12,421
Fund balance, beginning of year	39,775	39,775	39,775	-
Fund balance, end of year	<u>\$ 39,775</u>	<u>\$ 31,900</u>	<u>\$ 44,321</u>	<u>\$ 12,421</u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SOLID WASTE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Licenses and permits	\$ 285,000	\$ 285,000	\$ 291,254	\$ 6,254
Intergovernmental	90,909	90,909	140,909	50,000
Charges for services	195,000	195,000	230,407	35,407
Miscellaneous revenues	25,000	25,000	40,929	15,929
FS 129 Statutory Reduction	(46,295)	(46,295)	-	46,295
Total revenues	<u>549,614</u>	<u>549,614</u>	<u>703,499</u>	<u>153,885</u>
Expenditures				
Current:				
Physical environment	<u>981,002</u>	<u>976,333</u>	<u>918,466</u>	<u>57,867</u>
Total expenditures	<u>981,002</u>	<u>976,333</u>	<u>918,466</u>	<u>57,867</u>
Excess (deficiency) of revenues over expenditures	<u>(431,388)</u>	<u>(426,719)</u>	<u>(214,967)</u>	<u>211,752</u>
Other financing sources (uses)				
Contributions from joint venture	200,000	200,000	200,000	-
Transfers in	130,000	130,000	130,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>	<u>-</u>
Net change in fund balance	<u>(101,388)</u>	<u>(96,719)</u>	<u>115,033</u>	<u>211,752</u>
Fund balance, beginning of year	389,352	389,352	389,352	-
Fund balance, end of year	<u>\$ 287,964</u>	<u>\$ 292,633</u>	<u>\$ 504,385</u>	<u>\$ 211,752</u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 911
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 271,230	\$ 271,230	\$ 288,353	\$ 17,123
Miscellaneous revenues	30	30	64	34
FS 129 Statutory Reduction	(5,313)	(5,313)	-	5,313
Total revenues	<u>265,947</u>	<u>265,947</u>	<u>288,417</u>	<u>22,470</u>
Expenditures				
Current:				
Public safety	468,311	468,311	392,117	76,194
Total expenditures	<u>468,311</u>	<u>468,311</u>	<u>392,117</u>	<u>76,194</u>
Excess (deficiency) of revenues over expenditures	<u>(202,364)</u>	<u>(202,364)</u>	<u>(103,700)</u>	<u>98,664</u>
Other financing sources (uses)				
Transfers in	135,000	135,000	135,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>	<u>-</u>
Net change in fund balance	<u>(67,364)</u>	<u>(67,364)</u>	<u>31,300</u>	<u>98,664</u>
Fund balance, beginning of year	79,061	79,061	79,061	-
Fund balance, end of year	<u>\$ 11,697</u>	<u>\$ 11,697</u>	<u>\$ 110,361</u>	<u>\$ 98,664</u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EMERGENCY MANAGEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 149,106	\$ 149,106	\$ 143,448	\$ (5,658)
Expenditures				
Current:				
Public safety	215,412	215,412	183,060	32,352
Excess (deficiency) of revenues over expenditures	<u>(66,306)</u>	<u>(66,306)</u>	<u>(39,612)</u>	<u>26,694</u>
Other financing sources (uses)				
Transfers in	66,306	66,306	66,306	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>66,306</u>	<u>66,306</u>	<u>66,306</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>26,694</u>	<u>26,694</u>
Fund balance, beginning of year	88,625	88,625	88,625	-
Fund balance, end of year	<u><u>\$ 88,625</u></u>	<u><u>\$ 88,625</u></u>	<u><u>\$ 115,319</u></u>	<u><u>\$ 26,694</u></u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PUBLIC LIBRARY
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 117,354	\$ 117,354	\$ 116,387	\$ (967)
Intergovernmental	-	91,899	90,679	(1,220)
Miscellaneous revenues	12,000	12,000	30,811	18,811
FS 129 Statutory Reduction	(6,468)	(6,468)	-	6,468
Total revenues	<u>122,886</u>	<u>214,785</u>	<u>237,877</u>	<u>23,092</u>
Expenditures				
Current:				
Culture and recreation	161,419	269,276	234,240	35,036
Net change in fund balance	<u>(38,533)</u>	<u>(54,491)</u>	<u>3,637</u>	<u>58,128</u>
Fund balance, beginning of year	105,265	105,265	105,265	-
Fund balance, end of year	<u>\$ 66,732</u>	<u>\$ 50,774</u>	<u>\$ 108,902</u>	<u>\$ 58,128</u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COUNTY LAW ENFORCEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ -	\$ 1,700	\$ 1,134	\$ (566)
FS 129 Statutory Reduction	-	(85)	-	85
Total revenues	-	1,615	1,134	(481)
Expenditures				
Current:				
Public safety	-	5,000	-	5,000
Net change in fund balance	-	(3,385)	1,134	4,519
Fund balance, beginning of year	32,011	32,011	32,011	-
Fund balance, end of year	<u>\$ 32,011</u>	<u>\$ 28,626</u>	<u>\$ 33,145</u>	<u>\$ 4,519</u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CLERK RECORDS MODERNIZATION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 14,500	\$ 14,500	\$ 14,260	\$ (240)
Expenditures				
Current:				
Court related	23,500	23,500	14,184	9,316
Net change in fund balance	<u>(9,000)</u>	<u>(9,000)</u>	<u>76</u>	<u>9,076</u>
Fund balance, beginning of year	86,127	86,127	86,127	-
Fund balance, end of year	<u><u>\$ 77,127</u></u>	<u><u>\$ 77,127</u></u>	<u><u>\$ 86,203</u></u>	<u><u>\$ 9,076</u></u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SHERIFF INMATE WELFARE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ -	\$ -	\$ 3,054	\$ 3,054
Expenditures				
Current:				
Public safety	-	-	-	-
Net change in fund balance	-	-	3,054	3,054
Fund balance, beginning of year	60,411	60,411	60,411	-
Fund balance, end of year	<u>\$ 60,411</u>	<u>\$ 60,411</u>	<u>\$ 63,465</u>	<u>\$ 3,054</u>

UNION COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SHERIFF INTERGOVERNMENTAL SHARED REVENUE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 213,000	\$ 213,000	\$ 172,865	\$ (40,135)
Expenditures				
Current:				
Public safety	213,000	213,000	211,019	1,981
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(38,154)</u>	<u>(38,154)</u>
Fund balance, beginning of year	38,154	38,154	38,154	-
Fund balance, end of year	<u><u>\$ 38,154</u></u>	<u><u>\$ 38,154</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (38,154)</u></u>

UNION COUNTY, FLORIDA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

	Clerk of Circuit Court	Sheriff	Tax Collector	Total Agency Funds
ASSETS				
Cash and equivalents	\$ 187,436	\$ 29,100	\$ 118,202	\$ 334,738
Receivables	1,205	-	-	1,205
Due from other funds	10	-	-	10
Total assets	<u>\$ 188,651</u>	<u>\$ 29,100</u>	<u>\$ 118,202</u>	<u>\$ 335,953</u>
LIABILITIES				
Assets held for others	\$ 73,685	\$ 29,100	\$ 118,202	\$ 220,987
Accounts payable and accrued expenses	975	-	-	975
Due to other funds	20,823	-	-	20,823
Due to other governments	93,168	-	-	93,168
Total liabilities	<u>\$ 188,651</u>	<u>\$ 29,100</u>	<u>\$ 118,202</u>	<u>\$ 335,953</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNION COUNTY, FLORIDA
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Balance September 30, 2018	Additions	Deletions	Balance September 30, 2019
<u>CLERK OF CIRCUIT COURT</u>				
ASSETS				
Cash and equivalents	\$ 229,570	\$ 1,062,795	\$ (1,104,929)	\$ 187,436
Receivables	1,333	1,205	(1,333)	1,205
Due from other funds	417	10	(417)	10
Total assets	<u>\$ 231,320</u>	<u>\$ 1,064,010</u>	<u>\$ (1,106,679)</u>	<u>\$ 188,651</u>
LIABILITIES				
Assets held for others	\$ 185,503	\$ 1,062,795	\$ (1,174,613)	\$ 73,685
Accounts payable and accrued expenses	288	975	(288)	975
Due to other funds	16,957	20,823	(16,957)	20,823
Due to other governments	28,572	93,168	(28,572)	93,168
Total liabilities	<u>\$ 231,320</u>	<u>\$ 1,177,761</u>	<u>\$ (1,220,430)</u>	<u>\$ 188,651</u>
<u>SHERIFF</u>				
ASSETS				
Cash and equivalents	<u>\$ 5,415</u>	<u>\$ 30,541</u>	<u>\$ (6,856)</u>	<u>\$ 29,100</u>
LIABILITIES				
Assets held for others	<u>\$ 5,415</u>	<u>\$ 30,541</u>	<u>\$ (6,856)</u>	<u>\$ 29,100</u>
<u>TAX COLLECTOR</u>				
ASSETS				
Cash and equivalents	<u>\$ 120,880</u>	<u>\$ 4,065,417</u>	<u>\$ (4,068,095)</u>	<u>\$ 118,202</u>
LIABILITIES				
Assets held for others	<u>\$ 120,880</u>	<u>\$ 4,065,417</u>	<u>\$ (4,068,095)</u>	<u>\$ 118,202</u>

Statistical Section

This part of Union 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.

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Financial Trends	74
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.....	78
These schedules contain information to help the reader assess the factors affecting the County's local revenue sources and property taxes.	
Debt Capacity.....	82
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	86
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and help make comparisons over time and with other governments.	
Operating Information	88
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information 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 and/or audited financial statements for the relevant year.

SCHEDULE 1
UNION COUNTY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 15,736,855	\$ 14,042,694	\$ 14,083,692	\$ 12,755,750	\$ 13,523,234	\$ 14,028,961	\$ 14,548,803	\$ 13,240,217	\$ 13,154,124	\$ 12,982,529
Restricted for:										
Court Operations	194,436	183,795	172,168	99,692	131,507	356,193	307,603	204,053	259,527	
Public Safety	1,523,030	1,486,030	1,421,856	1,695,573	1,335,096	1,246,363	1,496,595	1,445,238	1,140,729	
Physical Environment				75,024			78,998	56,524	29,223	
Economic Environment				265	18,757	269	18,313	240	106	
Emergency Medical Services		217,111	389,940							
Transportation	575,539	506,385	496,453	438,353	433,414	409,899	513,063	95,566	207,975	
Culture and Recreation				185,415	92,714	52,306	72,303	81,654	62,739	
Solid Waste Operations		389,352	285,760							
Library	108,902	105,265	120,030							
Other purposes	63,465	60,411	54,663							
Unrestricted	(4,448,480)	(3,143,187)	(2,627,228)	(2,236,912)	(2,117,466)	886,121	476,559	613,668	765,644	2,713,950
Total governmental activities net position	\$ 13,753,747	\$ 13,847,856	\$ 14,397,334	\$ 13,013,160	\$ 13,417,256	\$ 16,980,112	\$ 17,512,237	\$ 15,737,160	\$ 15,620,067	\$ 15,696,479

Source: Union County Clerk of Courts & Comptroller

Notes:

- (1) Breakdown of restricted amounts for 2010 is not available.
- (2) The County implemented GASB 68 beginning with fiscal year 2015 and GASB 75 beginning with fiscal year 2019.

**SCHEDULE 2
UNION COUNTY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities:										
General Government	\$ 2,265,607	\$ 1,714,061	\$ 2,495,058	\$ 2,297,694	\$ 1,821,632	\$ 1,956,378	\$ 1,931,680	\$ 2,026,348	\$ 2,047,251	\$ 1,801,876
Public Safety	5,585,411	5,052,545	4,506,463	4,597,837	4,085,368	4,618,584	4,584,762	4,101,478	4,217,814	4,048,109
Physical Environment	1,428,394	1,324,184	1,004,420	976,727	966,071	689,828	974,676	832,595	1,009,189	958,596
Economic Environment	449,292	387,439	375,893	583,079	614,340	416,130	130,854	383,988	376,180	208,853
Transportation	1,847,495	1,636,348	1,110,257	2,287,600	1,430,543	1,757,493	1,465,375	1,827,603	1,549,219	1,416,683
Human Services	366,807	357,712	331,440	293,776	295,673	385,461	294,407	243,642	441,857	390,630
Culture and Recreation	398,043	480,984	350,670	331,225	315,316	298,346	288,610	274,029	248,255	242,601
Court Related	1,185,498	1,073,249	1,109,470	930,741	839,158	828,901	821,565	883,317	825,935	887,487
Interest on Long-term Debt	10,933	5,136	7,557	17,187	17,620	24,614	34,216	43,445	51,061	67,455
Total Governmental Activities Expenses	\$ 13,537,480	\$ 12,031,658	\$ 11,291,228	\$ 12,315,866	\$ 10,385,721	\$ 10,975,735	\$ 10,526,145	\$ 10,616,445	\$ 10,766,761	\$ 10,022,290
Program revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 275,487	\$ 279,601	\$ 237,702	\$ 220,660	\$ 368,716	\$ 523,611	\$ 238,282	\$ 370,061	\$ 258,583	\$ 408,974
Public Safety	898,168	864,237	922,200	1,306,130	868,327	819,759	1,068,009	1,061,894	735,475	613,915
Physical Environment	741,581	860,681	526,113	523,645	183,136	171,540	118,385	118,854	124,087	65,073
Transportation	-	-	-	-	290	5,319	95,870	152,444	143,812	-
Culture and Recreation	-	-	-	1,960	-	-	2,690	-	-	-
Court-related	223,424	224,464	177,093	193,317	93,738	14,044	112,037	12,901	86,806	80,594
Operating Contributions - Gas Taxes	974,781	996,848	954,797	880,986	856,492	818,347	835,208	805,228	819,843	817,581
Other Operating Contributions & Grants	1,942,843	1,480,051	1,190,122	1,715,138	1,598,325	1,735,527	717,172	994,424	1,224,022	1,181,083
Capital Grants and Contributions	2,492,910	638,747	1,077,489	852,619	246,086	-	1,974,604	494,220	847,675	3,703,183
Total Governmental Activities Program Revenues	7,549,194	5,344,629	5,085,516	5,694,455	4,215,110	4,088,147	5,162,257	4,010,026	4,240,303	6,870,403
Total Net Revenue (Expense)	\$ (5,988,286)	\$ (6,687,029)	\$ (6,205,712)	\$ (6,621,411)	\$ (6,170,611)	\$ (6,887,588)	\$ (5,363,888)	\$ (6,606,419)	\$ (6,526,458)	\$ (3,151,887)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 2,362,893	\$ 2,268,076	\$ 2,260,588	\$ 2,229,499	\$ 2,255,997	\$ 2,174,315	\$ 2,137,625	\$ 2,202,427	\$ 2,275,749	\$ 2,232,979
Sales Taxes (Local Option)	640,740	635,359	617,888	554,818	542,031	486,695	479,217	441,820	428,662	408,761
Telecommunication Taxes	40,817	57,974	58,877	58,731	64,612	64,862	63,791	65,050	58,183	55,161
Intergovernmental Revenues (Not Restricted)	2,784,390	3,085,974	3,230,060	2,616,953	3,014,431	2,827,973	3,293,164	3,170,745	2,909,469	2,822,522
Licenses and Permits			573,847	574,814	527,404	534,582	528,450	531,098	540,779	535,524
Fines and Forfeitures			20,865	37,845	83,444	107,660	85,911	59,884	63,057	120,684
Investment Earnings									1,230	1,621
Miscellaneous	155,957	90,168	136,389	134,655	52,548	159,373	550,807	252,488	172,917	161,122
Total Governmental Activities	\$ 5,984,797	\$ 6,137,551	\$ 6,898,514	\$ 6,207,315	\$ 6,540,467	\$ 6,355,460	\$ 7,138,965	\$ 6,723,512	\$ 6,450,046	\$ 6,338,374
Total Change in Net Position	\$ (3,489)	\$ (549,478)	\$ 692,802	\$ (414,096)	\$ 369,856	\$ (532,128)	\$ 1,775,077	\$ 117,093	\$ (76,412)	\$ 3,186,487

Source: Union County Clerk of Courts & Comptroller

SCHEDULE 3
UNION COUNTY, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund										
Restricted for:										
Court Operation	\$ 108,233	\$ 97,668	\$ 97,694	\$ 99,692	\$ 88,128	\$ 307,099	\$ 279,245	\$ 207,929	\$ -	
Emergency Medical Services		-								
Law Enforcement		-								
Transportation		-								
Solid Waste Operations		-								
Library		-								
Other purposes		-	-	-	-	-	-	-	200,743	
Undesignated		-	-	-	-	-	-	-	-	1,406,810
Nonspendable: Prepaid Items	98,460									
Assigned to:										
Emergency Management		-								
Healthcare reimbursement	52,510									
Jail Construction	60,000	30,000	-	-	-	-	-	-	-	
Other Assigned Funds	-	-	-	-	-	156,308	86,000	-	-	
Subsequent year's budget	878,985	-	-	-	-	-	-	-	-	
Unassigned	869,686	2,348,916	2,271,150	2,045,924	1,839,960	997,659	595,775	869,074	1,165,101	
Total general fund	\$ 2,067,874	\$ 2,476,584	\$ 2,368,844	\$ 2,145,616	\$ 1,928,088	\$ 1,461,066	\$ 961,020	\$ 1,077,003	\$ 1,365,844	\$ 1,406,810
Other Governmental Funds										
Restricted for:										
Court Operations	\$ 86,203	\$ 86,127	\$ 74,474	\$ 78,872	\$ 81,247	\$ 93,230	\$ 73,120	\$ 58,204	\$ 58,434	
Law Enforcement	1,523,030	1,486,030	1,421,856	1,372,444	1,312,613	1,259,935	1,237,740	1,128,973	999,670	
Transportation	575,539	506,385	496,453	438,353	480,854	458,940	564,245	146,973	261,605	
Library	108,902	105,265	120,030	106,543	122,803	90,279	99,661	104,272	85,606	
Other purposes	63,465	60,411	54,663	287,818	91,571	67,989	107,733	151,515	56,803	
Undesignated										2,194,523
Nonspendable:										
Transportation							9,468	13,263	5,620	10,749
Assigned to:										
Emergency Management	115,319	88,625	77,645	36,386	66,005	53,300	70,896	92,555	163,548	
Emergency Medical Services	192,815	217,111	389,940	270,353	42,719		305,908	378,543	139,474	
Solid Waste Operations	504,385	389,352	285,760						59,369	
Landfill Closure			40,764				278,392		103,784	
Unclassified Assigned Funds										
Unassigned					(80,436)	(86,189)				
Total other governmental funds	\$ 3,169,658	\$ 2,939,306	\$ 2,961,585	\$ 2,590,769	\$ 2,117,376	\$ 1,937,484	\$ 2,747,163	\$ 2,074,298	\$ 1,933,913	\$ 2,205,272

Source: Union County Clerk of Courts & Comptroller

Notes:

(1) Breakdown of restricted amounts for 2010 is not available.

SCHEDULE 4
UNION COUNTY, FLORIDA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 4,018,627	\$ 3,957,634	\$ 3,891,770	\$ 3,724,034	\$ 3,719,132	\$ 3,544,222	\$ 3,515,841	\$ 3,514,525	\$ 3,582,437	\$ 3,514,482
Licenses and permits	556,983	562,136	551,019	545,192	527,404	534,582	528,450	531,098	540,779	535,524
Intergovernmental revenue	7,176,365	5,129,158	5,475,720	5,046,914	4,528,842	4,158,770	5,654,940	4,334,389	4,614,775	7,259,096
Charges for services	1,309,505	1,244,543	1,549,400	2,105,012	1,514,207	1,534,273	1,635,273	1,716,154	1,348,763	1,168,556
Fines and forfeitures	64,461	116,526	68,063	44,669	83,444	107,660	85,911	59,884	63,057	120,684
Miscellaneous revenues	220,650	159,987	239,357	105,974	78,956	162,934	569,517	340,946	191,835	167,524
Total revenues	13,346,591	11,169,984	11,775,329	11,571,795	10,451,985	10,042,441	11,989,932	10,496,996	10,341,646	12,765,866
Expenditures										
General government	2,390,777	2,179,188	2,198,511	1,948,580	1,918,931	1,881,919	1,883,470	1,926,957	2,148,250	1,845,087
Public safety	4,920,503	4,718,629	4,586,676	4,610,490	4,056,674	4,557,120	4,254,644	4,258,036	4,737,980	4,243,125
Physical environment	1,213,890	1,165,620	959,704	1,036,532	1,009,917	1,028,308	999,060	1,140,940	1,095,437	1,020,224
Economic environment	408,590	369,525	370,045	583,080	614,340	416,130	130,854	383,988	376,180	208,853
Transportation	3,127,875	1,648,087	1,953,191	2,145,320	1,063,759	1,176,455	3,163,316	1,682,022	1,138,871	3,824,357
Human services	290,759	302,214	293,125	283,899	285,797	364,941	283,352	367,782	431,320	380,093
Culture and recreation	297,088	394,546	322,055	32,574	353,129	258,032	262,370	230,225	215,977	192,854
Court-related	786,899	738,893	863,476	710,261	751,883	728,950	722,534	812,380	736,884	799,086
Debt service:										
Principal	228,569	157,868	131,827	160,138	131,959	272,963	276,381	494,118	348,178	328,637
Interest	17,130	16,974	18,681	17,187	17,620	24,614	34,216	43,445	51,061	67,455
Capital outlay										
Total expenditures	13,682,080	11,691,544	11,697,291	11,528,061	10,204,009	10,709,432	12,010,197	11,339,893	11,280,138	12,909,771
Excess of revenues over/(under) expenditures	(335,489)	(521,560)	78,038	43,734	247,976	(666,991)	(20,265)	(842,897)	(938,492)	(143,905)
Other financing sources (uses)										
Contributions from joint venture	200,000	330,001	330,000	330,000	330,000	430,000	330,000	325,000	366,391	447,692
Article V Reversion	(30,269)	(20,014)								
Transfers in	1,096,206	836,988	758,582	1,355,324	736,600	1,185,580	1,121,937	981,780	1,153,209	4,615,684
Transfers out	(1,096,206)	(836,988)	(758,582)	(1,355,324)	(736,600)	(1,185,580)	(1,121,937)	(981,780)	(1,153,209)	(4,615,684)
Transfers Out to Others				(628)	(168)	(47,372)	(154)	(9,675)	(224)	(332)
Loan proceeds		297,034	186,006	307,841			247,301	379,116	260,000	50,000
Sale of Capital Assets				9,974	43,836					
Total other financing sources (uses)	169,731	607,021	516,006	647,187	373,668	382,628	577,147	694,441	626,167	497,360
Net change in fund balances	(165,758)	85,461	594,044	690,921	621,644	(284,363)	556,882	(148,456)	(312,325)	353,455
Beginning Fund Balance	5,415,890	5,330,429	4,736,385	4,045,464	3,423,820	3,708,183	3,151,301	3,299,757	3,612,082	3,258,627
Ending Fund Balance	\$ 5,250,132	\$ 5,415,890	\$ 5,330,429	\$ 4,736,385	\$ 4,045,464	\$ 3,423,820	\$ 3,708,183	\$ 3,151,301	\$ 3,299,757	\$ 3,612,082
Ratio of debt service expenditures to noncapital expenditures	1.83%	1.52%	1.30%	1.56%	1.49%	2.86%	2.65%	4.98%	3.67%	3.17%

Source: Union County Clerk of Courts & Comptroller

**SCHEDULE 5
UNION COUNTY, FLORIDA
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property			Personal Property	Total	Direct Tax Rate
	Residential	Commercial & Other	Agricultural			
2019	\$ 225,337,195	\$ 151,040,473	\$ 41,070,547	\$ 52,922,642	\$ 470,370,857	10.50000
2018	217,902,292	150,315,700	41,100,845	52,373,128	461,691,965	10.50000
2017	214,528,486	150,084,065	41,319,175	52,365,611	458,297,337	10.50000
2016	212,953,107	149,977,795	38,870,127	50,633,315	452,434,344	10.50000
2015	212,125,068	147,571,853	38,608,507	55,236,415	453,541,843	10.50000
2014	212,798,861	146,103,037	35,638,788	51,884,126	446,424,812	10.50000
2013	210,396,331	147,924,315	35,651,085	49,904,760	443,876,491	10.50000
2012	210,205,756	146,087,738	34,525,811	52,460,371	443,279,676	10.50000
2011	213,456,937	146,592,648	33,940,752	56,337,455	450,327,792	10.50000
2010	Note 1	392,389,211	35,805,630	56,394,573	484,589,414	10.50000

Source: Union County Property Appraiser

Note:

(1) Detail of Residential & Commercial property not available for 2010.

SCHEDULE 6
UNION COUNTY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(PER \$1,000 ASSESSED VALUATION)

	Fiscal Year Taxes Are Payable									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
County:										
General Fund	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Library Fund	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Total County Direct	10.5000	10.5000	10.5000	10.5000	10.5000	10.5000	10.5000	10.5000	10.5000	10.5000
Other County-wide:										
School Board	6.1440	6.3710	6.6310	6.8800	7.1800	7.3690	7.5950	8.0340	8.0450	8.0050
Suwannee River Water Management District	0.3840	0.3948	0.4027	0.4093	0.4104	0.4141	0.4143	0.4143	0.4143	0.4399
Total County-wide	17.0280	17.2658	17.5337	17.7893	18.0904	18.2831	18.5093	18.9483	18.9593	18.9449
Municipalities:										
Lake Butler	2.7500	2.7500	2.7500	2.3547	2.3302	2.2547	2.2599	2.2599	2.2599	2.2599
Worthington Springs	1.4000	1.4839	1.4925	1.5853	1.6324	1.6000	1.6000	1.6622	1.6708	1.6439

Source: Union County Property Appraiser

**SCHEDULE 7
UNION COUNTY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

		Fiscal Year Ended September 30, 2019	
Taxpayer	Type of Business	2018 Taxable Value	Percent of Total Taxable Value
Weyerhaeuser	Agriculture	\$ 12,947,396	2.75
Clay Electric Cooperative, Inc.	Utility	10,340,497	2.20
Florida Power and Light Co.	Utility	6,049,552	1.29
West Frasier	Industrial	5,843,823	1.24
Windstream	Utility	2,483,429	0.53
Lake Butler, LLC	Industrial	2,054,725	0.44
CVS	Retail Sales	2,038,877	0.43
Medlink Management	Healthcare	1,666,943	0.35
Florida Gas Transmission	Utility	1,315,192	0.28
HPS Enterprises II, LLC	Mining	1,131,879	0.24
Subtotal Principal Taxpayers		45,872,313	9.75
All Other Taxpayers		424,498,544	90.25
Total		\$ 470,370,857	100.00
		Fiscal Year Ended September 30, 2010	
Taxpayer	Type of Business	2009 Taxable Value	Percent of Total Taxable Value
Plum Creek Timberlands, LP	Agriculture	\$ 9,228,070	1.90
Clay Electric Cooperative, Inc.	Utility	7,696,206	1.59
Gilman Building Products	Industrial	4,868,761	1.00
Windstream	Utility	4,013,280	0.83
Florida Power and Light Co.	Utility	3,569,972	0.74
Lake Butler, LLC	Industrial	2,781,280	0.57
CVS	Retail Sales	2,459,496	0.51
Medlink Management	Healthcare	2,277,074	0.47
Florida Gas Transmission	Utility	2,006,050	0.41
Bellsouth Communications	Communications	1,597,657	0.33
Subtotal Principal Taxpayers		40,497,846	8.35
All Other Taxpayers		444,091,568	91.65
Total		\$ 484,589,414	100.00

Source: Union County Property Appraiser

**SCHEDULE 8
UNION COUNTY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Collected in Fiscal Year	
		Total Collections	Percent of Levy
2019	\$ 2,447,715	\$ 2,362,893	96.53
2018	2,292,419	2,268,076	98.94
2017	2,357,726	2,260,588	95.88
2016	2,321,069	2,229,499	96.05
2015	2,318,749	2,255,997	97.29
2014	2,292,574	2,174,315	94.84
2013	2,294,406	2,137,625	93.17
2012	2,301,898	2,201,262	95.63
2011	2,395,425	2,275,750	95.00
2010	2,377,636	2,232,980	93.92

Sources:

Total Tax Collections: Union County Tax Collector

Notes:

- (1) Taxes may be paid at a discount that starts at four percent on November 1, and declines by one percent per month until the discount period ends on the last day of February.
- (2) Information above pertains to the following County Taxing Authorities:
 - Union County General Fund
 - Union County Special Library District
 - Union County Health Department
- (3) The County entered into an agreement with the Lake Butler Community Redevelopment Agency, resulting in 50% of the funds taxed the the CRA being remitted back to the County, beginning Fiscal Year ended September 30, 2016. The amount of revenue redirected to the County as a result of this agreement was approximately \$20,739 in that year.
- (4) The Union County Tax Collector reports that all Tax Certificates are sold every year in the County, with the exception of tax amounts due that are less than \$250. These unsold certificates total an immaterial amount, and are not documented by the Tax Collector.

**SCHEDULE 9
UNION COUNTY, FLORIDA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	<u>Governmental Activities</u>		Total Primary Government	Percentage of	
	Notes Payable	Capital Leases		Personal Income	Per Capita
2019	\$ 41,487	\$ 429,129	\$ 470,616	0.14	\$ 273.86
2018	213,794	485,391	699,185	0.22	313.92
2017	299,651	404,841	704,492	0.23	349.57
2016	342,911	317,870	660,781	0.22	402.57
2015	132,806	342,846	475,652	0.17	448.99
2014	241,006	368,001	609,007	0.22	503.80
2013	479,427	402,543	881,970	0.32	535.45
2012	672,700	238,350	911,050	0.33	570.47
2011	774,042	254,048	1,028,090	0.38	602.38
2010	759,764	356,504	1,116,268	0.44	645.04

Source: Union County Clerk of Circuit Court & Comptroller, Finance Department

**SCHEDULE 10
UNION COUNTY, FLORIDA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Union County has no bonded debt.

Source: Union County Clerk of Circuit Court & Comptroller, Finance Department

SCHEDULE 11
UNION COUNTY, FLORIDA
LEGAL DEBT MARGIN

The Constitution of the State of Florida,
Florida Statute 200.181, set no legal debt margin.
Additionally, Union County has no bonded debt.

Source: Union County Clerk of Circuit Court & Comptroller, Finance Department

SCHEDULE 12
UNION COUNTY, FLORIDA
PLEDGED REVENUE COVERAGES

Union County has no bonded debt.

Source: Union County Clerk of Circuit Court & Comptroller, Finance Department

**SCHEDULE 13
UNION COUNTY, FLORIDA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Fl Dept of Corrections Inmate Population (5)	Residents	Per Capita Income (1)	Personal Income (in thousands) (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (percent) (4)
2019	14,940	4,682	10,258	\$ 22,227	\$ 332,065	39.5	2,272	3.0
2018	15,469	5,212	10,257	20,756	321,082	39.8	2,260	3.3
2017	15,252	4,637	10,615	19,815	302,215	46.7	2,292	3.8
2016	15,274	4,843	10,431	19,647	300,094	40.3	2,235	4.3
2015	15,260	4,586	10,674	18,710	285,511	40.0	2,282	4.9
2014	15,162	4,769	10,393	18,327	277,879	39.2	2,275	6.0
2013	15,258	4,769	10,489	17,928	273,547	39.8	2,213	6.3
2012	15,299	4,832	10,467	17,926	274,250	40.0	2,199	7.2
2011	15,544	4,619	10,925	17,224	267,726	38.0	2,204	8.2
2010	15,340	4,619	10,721	16,387	251,375	N/A	2,275	8.5

Sources:

- (1) Bureau of Economic Analysis, data reported one year behind
- (2) United States Census Bureau, data reported one year behind
- (3) Union County School District Finance Department
- (4) Florida Department of Economic Opportunity
- (5) Union County Budget Documents

**SCHEDULE 14
UNION COUNTY, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR**

Fiscal Year Ended September 30, 2019

Taxpayer	Number of Employees	Percent of Total Employment
Department of Corrections - RMC	796	18.88
Department of Corrections - UCI	577	13.68
Union County School Board	364	8.63
Pritchett Trucking	301	7.14
Centurion - RMC & UCI	356	8.44
West Frasier	142	3.37
Union County Government	117	2.77
The Roberts Companies, LLC	80	1.90
Lake Butler Hospital	65	1.54
PRIDE Enterprises	52	1.23
Total Principal Employers	2,850	67.58
Estimated Total Workforce	4,217	

Sources:

*Surveys by Union County Clerk of Courts & Comptroller
City of Lake Butler Budget
Florida Department of Economic Opportunity
North Florida Economic Development Partnership*

Note:

Information regarding principal employers was not available prior to 2019.

SCHEDULE 15
UNION COUNTY, FLORIDA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	As of September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Board of County Commissioners										
Commissioners	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Courthouse Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administration	3.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
Building Department	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Emergency Management	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0
Emergency Medical Services	14.0	14.0	16.0	14.0	14.0	14.0	16.0	17.0	14.0	14.0
911 Call Center	10.0	9.0	9.0	8.0	9.0	8.0	8.0	8.0	8.0	8.0
Solid Waste	11.5	11.5	11.5	11.5	12.5	12.5	11.5	11.5	11.5	11.5
Agriculture Extension Office	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Road Department	13.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Library	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Board of County Commissioners	68.4	65.4	68.4	64.4	66.4	64.4	65.4	67.4	65.4	64.4
Constitutional Offices										
Clerk of Courts & Comptroller	11.0	11.0	11.0	11.0	11.7	12.0	12.0	14.0	14.0	14.0
Property Appraiser	4.5	4.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Sheriff	26.5	26.5	26.5	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Supervisor of Elections	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Tax Collector	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Total County Full-Time Equivalent Employees	117.4	114.4	117.9	111.4	114.1	112.4	113.4	118.4	116.4	115.4

Source: Union County Payroll Records & various constitutional offices

SCHEDULE 16
UNION COUNTY, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	As of September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Number of elections conducted	2	2	2	2	2	2	2	2	2	2
Number of invoices/vouchers processed	4,750	4,727	4,726	4,973	5,202	4,985	5,225	5,575	5,862	5,619
Number of building permits issued	48	82	36	40	52	34	N/A	N/A	N/A	N/A
Public Safety										
Number of E-911 calls received in Dispatch	6,000	6,000	7,200	5,700	5,800	7,200	6,250	7,000	7,000	6,846
Number of Calls for Fire Services	2,989	2,299	2,411	1,205	813	539	1,568	1,639	1,666	1,036
Number of emergency medical services transports	1,195	1,232	1,797	1,558	1,442	N/A	N/A	N/A	N/A	N/A
Number of deaths investigated by Medical Examiner	10	8	6	11	7	9	14	11	9	12
Human Services										
Number of clients receiving general fund assistance	3	2	1	1	N/A	N/A	N/A	N/A	N/A	N/A
Number of dogs and cats picked up by Animal Control	187	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cultural & Recreational										
Total library circulation	36,949	38,141	47,682	43,901	45,944	52,533	59,352	59,037	60,505	59,743
Number of library users of electronic resources	5,234	6,131	8,523	8,636	10,129	12,797	10,446	11,298	12,204	11,835
Number of events at the Library (Youth, Teen, Adult)	177	168	131	132	131	127	110	106	193	204
Library Attendees	52,921	55,633	60,640	60,416	65,566	72,583	74,151	74,416	81,115	70,009
Refuse disposal										
Tons of solid waste processed	9,044	9,577	8,836	13,600	4,371	8,545	9,747	7,367	9,684	8,576
Number of unincorporated residential units served	4,183	4,133	4,108	4,062	4,045	4,041	4,087	4,072	4,075	4,055

SCHEDULE 17
UNION COUNTY, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTIONAL DEPARTMENT
LAST TEN FISCAL YEARS

	As of September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Number of Administrative/Office Facilities	10	10	10	10	11	10	10	9	9	9
Number of Storage Facilities	3	3	3	3	3	3	3	3	3	3
Square Footage of Facilities	65,064	65,064	65,064	65,064	65,504	63,104	63,104	60,704	60,704	60,704
Acreage of Properties	21.89	21.89	21.89	21.89	22.89	20.43	20.43	16.23	16.23	16.23
Number of Light-duty Vehicles	2	2	2	2	2	2	2	2	2	2
Number of Medium and Heavy-Duty Vehicles	4	4	4	4	4	4	4	4	4	4
Public safety										
Volunteer Fire Department										
Number of Pumper Trucks	5	5	5	5	5	5	5	5	5	5
Number of Fire Stations	4	4	4	4	4	4	3	3	3	3
Total Square footage of Fire Stations	2,400	2,400	2,400	2,400	2,400	N/A	N/A	N/A	N/A	N/A
Acreage of Fire Station Properties	2.46	2.46	2.46	2.46	2.46	N/A	N/A	N/A	N/A	N/A
Emergency Medical Services										
Number of Ambulances	5	5	5	5	5	4	4	4	4	4
Number of Command Posts	2	2	2	2	2	2	2	2	2	2
Deuce Military Humvee	1	1	1	1	1	1	1	1	1	1
Sheriff's Office										
Number of sheriff vehicles	18	18	18	18	18	18	18	18	18	18
Average age of sheriff vehicles (years)	4	4	4	4	5	5	5	4	4	4
Average Annual Mileage per Vehicle (thousands)	27	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mosquito Control sprayer truck	2	0	0	0	0	0	0	0	0	0
Transportation										
Total Miles of Paved Road	275	275	275	275	275	275	275	275	275	275
Total Miles of Unpaved Road	64	64	64	64	64	64	64	64	64	64
Bridges	7	7	7	7	7	7	7	7	7	7
Number of Dump Trucks	4	4	4	4	4	4	4	3	3	3
Number of Passenger Vans	3	3	3	3	3	3	3	2	2	2
Equipment Trailers	3	3	3	3	3	3	3	2	2	2
Motor Graders	2	2	2	2	2	2	2	2	2	2
Other Heavy Equipment	1	1	1	1	0	0	0	0	0	0
Retention Ponds	4.00	2.00	1.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Retention Ponds Acreage	23.60	9.80	5.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Culture & Recreation										
Library	1	1	1	1	1	1	1	1	1	1
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Number of Vehicles	1	1	1	1	1	1	1	1	1	1
Square footage of building	9,124	9,124	9,124	9,124	9,124	9,124	9,124	9,124	9,124	3,800
Total Acreage	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	0.48
Parks and Recreation Centers										
Number of Community Centers	1	1	1	1	1	1	1	1	1	1
Number of Recreation Complexes	1	1	1	1	1	1	1	1	1	1
Number of Baseball/Softball Diamonds	8	8	8	8	8	8	8	8	8	8
Number of Parks	3	3	3	3	3	3	3	3	3	3
Number of Playgrounds	4	4	4	4	3	3	3	3	3	3
Number of Basketball Courts	3	3	3	3	2	2	2	2	2	2
Number of Farmer's Markets	0	0	0	0	1	1	1	1	1	1
Combined Acreage of All Parks	201.32	201.32	201.32	201.32	198.17	199.12	199.12	199.12	199.12	199.12
Buildings for Concessions/Bathrooms	12,856	12,856	12,856	12,856	13,600	13,600	13,600	13,600	13,600	13,600
Refuse disposal										
Collection Sites	5	5	5	5	5	5	5	5	5	5
Square Footage of Buildings	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520	1,520
Oil Collection Stations (Acreage)	1 (0.17)	1 (0.17)	1 (0.17)	1 (0.17)	1 (0.17)	1 (0.17)	1 (0.17)	1 (0.17)	1 (0.17)	1 (0.17)
Acreage of Landfill (Retired)	33.12	33.12	33.12	33.12	33.12	33.12	33.12	33.12	33.12	33.12
Number of Garbage Trucks	3	3	3	3	3	3	3	3	3	3
Number of Passenger Vans	1	1	1	1	1	1	1	1	1	1

Sources:
Various County Departments
Union County Property Appraiser
Union County Clerk of Courts & Comptroller, Finance Department

OTHER REPORTS AND SCHEDULE

UNION COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

State Grantor/Pass Through Grantor/Program Title	State CSFA Number	Contract Number	Expenditures
STATE FINANCIAL ASSISTANCE			
Executive Office of the Governor			
Passed through Division of Emergency Management			
Emergency Management Programs	31.063	19-BG-21-03-73-01-103	\$ 75,249
Emergency Management Programs	31.063	A0033	27,995
			<u>103,244</u>
Florida Department of Environmental Protection			
Small County Consolidated Grants	37.012	SC930	90,909
Florida Recreation Development Assistance Program	37.017	A7037	9,626
Florida Recreation Development Assistance Program	37.017	A17050	7,555
			<u>108,090</u>
Florida Department of State and Secretary of State			
State Aid to Libraries	45.030	18-ST-40	67,501
State Aid to Libraries	45.030	19-ST-40	31,909
			<u>99,410</u>
Florida Housing Finance Agency			
State Housing Initiatives Partnership (SHIP)	40.901	2017/2018	179,450
State Housing Initiatives Partnership (SHIP)	40.901	2018/2019	234,575
			<u>414,025</u>
Florida Department of Agriculture and Consumer Services			
Mosquito Control	42.003	25524	38,345
Union County Extension and Education Center	42.044	23118	165,375
			<u>203,720</u>
Florida Department of Transportation			
Small County Outreach Program Agreement (SCOP)	55.009	436463-1-54-01	110,661
Small County Outreach Program Agreement (SCOP)	55.009	434561-1-54-01	64,943
Small County Outreach Program Agreement (SCOP)	55.009	438177-1-54-01	30,096
Total Small County Outreach Program Agreement			<u>205,700</u>
Small County Road Assistance Program (SCRAP)	55.016	436449-1-54-01	50,162
Small County Road Assistance Program (SCRAP)	55.016	432770-1-54-01	1,636,008
Small County Road Assistance Program (SCRAP)	55.016	432769-1-54-01	397,146
Small County Road Assistance Program (SCRAP)	55.016	434592-1-54-01	34,384
Total Small County Road Assistance Program			<u>2,117,700</u>
Total Florida Department of Transportation			<u>2,323,400</u>
Florida Department of Health			
Emergency Medical Services	64.005	SC930	900
Florida Department of Management Services			
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	18-11-15	148,014
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	18-11-16	9,319
Wireless 911 Emergency Telephone System Rural County Grant Program	72.001	19-04-30	4,330
			<u>161,663</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 3,414,452</u></u>

See accompanying notes to schedule of expenditures of state financial assistance.

UNION COUNTY, FLORIDA, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of Union County, Florida (the County), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements Section 215.97, Florida Statutes. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) **Subrecipients:**

During the year ended September 30, 2019, the County provided no state awards to subrecipients.

(3) **Contingency:**

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the County. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable federal and state laws and regulations.

**UNION COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

State Financial Assistance:

Internal control over major State projects:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported for state financial assistance projects in accordance with Chapter 10.550? _____ yes X none reported

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

Identification of major State programs:

CSFA Number	Program Name
55.016	Small County Road Assistance Program Agreement (SCRAP)

- B. Financial Statement Findings:** None.
- C. State Project Findings and Questioned Costs:** None.
- D. Summary Schedule of Prior Audit Findings:** Not applicable as there are no prior year findings.
- E. Corrective Action Plan:** Not applicable as there are no current year findings.

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

To the Honorable Board of County Commissioners,
Union County, Florida:

Report on Compliance for Each Major State Project

We have audited Union County, Florida (the County)'s compliance with the types of compliance requirements described in the *Department of Financial Services'* State Projects Compliance Supplement that could have a direct and material effect on each of the County's major state projects for the year ended September 30, 2019. The County's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Project

In our opinion, Union County, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2019.

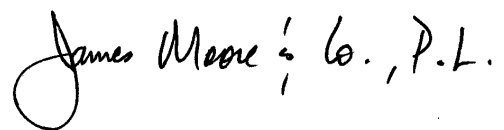
Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

**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 County Commissioners,
Union County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, Florida (the County) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 22, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that are not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

James Moore & Co., P.L.

Gainesville, Florida
May 22, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED
BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA
OFFICE OF THE AUDITOR GENERAL**

To the Honorable Board of County Commissioners,
Union County, Florida:

Report on the Financial Statements

We have audited the financial statements of Union County, Florida (the County), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 22, 2020.

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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance in Accordance with Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 22, 2020, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No comments remain uncorrected from the second preceding year.

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. Union County, Florida was established by Chapter 8516, Laws of Florida in 1921. The Clerk of Circuit Court serves as Clerk to the Board pursuant to Section 215.17, Florida Statutes. Union County, Florida included the following component unit: The Union County Special Library District.

Financial Condition and Management

Section 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 identification of 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 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 any such recommendations:

2019-001 Budgetary Compliance

The County was out of budgetary compliance in the Local Housing Assistance fund as actual expenditures in the exceeded the fund's budget by approximately \$64,000. This occurred primarily as a result of expenditures made from prior year grant allocation carryovers and beginning fund balance for which the budget was not amended. To ensure budgetary compliance, we recommend the budget be amended to reflect similar carryovers in the future.

Additional Matters

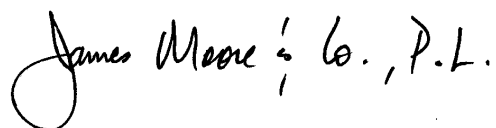
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants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

Union County, Florida's Response to Findings

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

Purpose of this 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 State grant agencies, the Board of County Commissioners, management, and others within the County and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

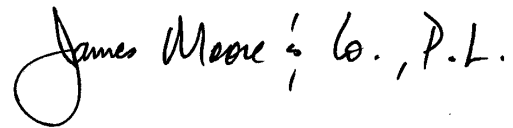
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Board of County Commissioners,
Union County, Florida

We have examined the compliance of Union County, Florida (the County) with Section 365.172, Florida Statutes, *Emergency Communications Number "E911"*, Section 365.173, Florida Statutes, *Communications Number E911 System Fund*, and Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. 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 with the aforementioned statutes, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the County's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Gainesville, Florida
May 22, 2020

**UNION COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS /
MANAGEMENT'S RESPONSE TO CURRENT YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Summary Schedule of Prior Audit Findings

N/A as there were no prior year audit findings.

Management's Response to Current Year Findings

2019-001 Budgetary Compliance

As indicated in the comment, this overage was indeed a result of the rollover of grant funds from the prior year. At the time of budget preparation, this rollover was not anticipated. The County reviews budget to actual reports as normal operating procedures. This was an oversight, and we acknowledge that a budget amendment should have been prepared. We will more closely review unspent grant funds in the future to guarantee budgetary compliance.

UNION COUNTY SHERIFF
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

UNION COUNTY SHERIFF
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Brad Whitehead, Sheriff,
Union County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Union County Sheriff (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinion

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 Union County Sheriff as of September 30, 2019, 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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Union County, Florida, that is attributable to the Union County Sheriff. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2019, 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 basic financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

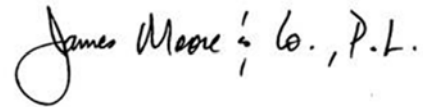
Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Sheriff'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 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 Union County Sheriff's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

**UNION COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Inmate Welfare Fund</u>	<u>Intergovernmental Shared Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 202,326	\$ 63,465	\$ -	\$ 265,791
Total assets	<u>\$ 202,326</u>	<u>\$ 63,465</u>	<u>\$ -</u>	<u>\$ 265,791</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 165,883	\$ -	\$ -	\$ 165,883
Due to other governments	<u>36,443</u>	<u>-</u>	<u>-</u>	<u>36,443</u>
Total Liabilities	202,326	-	-	202,326
Fund Balances:				
Restricted	-	63,465	-	63,465
Total Liabilities and Fund Balances	<u>\$ 202,326</u>	<u>\$ 63,465</u>	<u>\$ -</u>	<u>\$ 265,791</u>

The accompanying notes to financial statements are an integral part of this statement.

UNION COUNTY SHERIFF
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Special Revenue		
	General Fund	Inmate Welfare Fund	Intergovernmental Shared Fund	Total Governmental Funds
Revenues				
Intergovernmental	\$ -	\$ -	\$ 172,865	\$ 172,865
Charges for services	-	3,054	-	3,054
Total revenues	-	3,054	172,865	175,919
Expenditures				
General government	23,292	-	-	23,292
Public safety	2,159,304	-	211,019	2,370,323
Total expenditures	2,182,596	-	211,019	2,393,615
Excess (deficiency) of revenues over expenditures	(2,182,596)	3,054	(38,154)	(2,217,696)
Other financing sources (uses)				
Appropriations from board of county commissioners	2,219,039	-	-	2,219,039
Reversion to board of county commissioners	(36,443)	-	-	(36,443)
Total other financing sources (uses)	2,182,596	-	-	2,182,596
Net change in fund balance	-	3,054	(38,154)	(35,100)
Fund balances, beginning of year	-	60,411	38,154	98,565
Fund balances, end of year	\$ -	\$ 63,465	\$ -	\$ 63,465

The accompanying notes to financial statements are an integral part of this statement.

**UNION COUNTY SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019**

	<u>Agency Funds</u>
ASSETS	
Cash and equivalents	<u>\$ 29,100</u>
LIABILITIES	
Assets held for others	<u>\$ 29,100</u>
NET POSITION	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement.

UNION COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:**

The accounting policies of the Union County Sheriff (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**—The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Sheriff, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of Union County, the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the Union County, Florida, financial statements to properly reflect the county-wide General Fund. Other funds are shown separately in the appropriate sections of the county-wide financial statements.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

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

The Office reports the following major governmental fund; there are no non-major governmental funds:

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

Special Revenue Funds – The Inmate Welfare Special Revenue Fund is used to account for the funds that are generated by phone commissions. The profits can only be spent for the benefit of the inmates. The Intergovernmental Shared Special Revenue Fund is used to account for federal and local grant activity.

Additionally, the Sheriff reports the following fiduciary fund type:

Agency Fund – Agency Funds are used to account for assets held by the Office in a trustee capacity, or as an agent for individuals, private organizations, and other governments.

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

UNION COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

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

(e) **Cash**—The Office's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Useful Lives</u>
Vehicles	4 – 6 years
Building and improvements	20 years
Computer software	3 – 10 years
Machinery and equipment	3 – 20 years

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

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Sheriff is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government's discretion.

UNION COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office's general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

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

(2) **Budgets and Budgetary Accounting:**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund and Intergovernmental Shared Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end

(3) **Investments:**

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool.

Interest Rate Risk. The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

UNION COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(4) Risk Management:

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

(5) Capital Assets:

A summary of changes in capital asset activity of the Office for the fiscal year ended September 30, 2019, follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 1,102,491	\$ 48,912	\$ (388,105)	\$ 775,092
Building and improvements	22,317	-	-	22,317
Vehicles	704,802	88,584	(50,558)	742,828
Computer software	110,627	-	(2,472)	108,155
Total capital assets, being depreciated	<u>1,940,237</u>	<u>137,496</u>	<u>(441,135)</u>	<u>1,648,392</u>
Less accumulated depreciation for:				
Machinery and equipment	(808,939)	(87,522)	381,782	(514,679)
Building and improvements	(7,812)	(1,115)	-	(8,927)
Vehicles	(472,818)	(77,941)	187,211	(500,201)
Computer software	(109,214)	(297)	2,472	(107,039)
Total accumulated depreciation	<u>(1,398,783)</u>	<u>(166,875)</u>	<u>434,812</u>	<u>(1,130,846)</u>
Total capital assets being depreciated, net	<u>\$ 541,454</u>	<u>\$ (29,379)</u>	<u>\$ (6,323)</u>	<u>\$ 517,546</u>

Depreciation expense of \$166,875 was charged to the public safety function of the County.

(6) Long-term Liabilities:

A summary of changes in long-term liabilities of the Office for the fiscal year ended September 30, 2019, follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 84,594	\$ 58,824	\$ (42,640)	\$ 100,778	\$ 34,986

**UNION COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(7) Pension Plan:

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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.

For financial reporting purposes, the Office is deemed to be part of the primary government of Union County, Florida. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

UNION COUNTY SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
General government	-	-	23,292	(23,292)
Public safety	2,219,039	2,219,039	2,159,304	59,735
Total expenditures	2,219,039	2,219,039	2,182,596	36,443
Excess (deficiency) of revenues over expenditures	(2,219,039)	(2,219,039)	(2,182,596)	36,443
Other financing sources (uses)				
Appropriations from board of county commissioners	2,219,039	2,219,039	2,219,039	-
Reversion to board of county commissioners	-	-	(36,443)	(36,443)
Total other financing sources (uses)	2,219,039	2,219,039	2,182,596	(36,443)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

UNION COUNTY SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - INTERGOVERNMENTAL SHARED SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 213,000	\$ 213,000	\$ 172,865	\$ (40,135)
Expenditures				
Public safety	213,000	213,000	211,019	1,981
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(38,154)</u>	<u>(42,116)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(38,154)</u>	<u>(42,116)</u>
Fund balance, beginning of year	38,154	38,154	38,154	-
Fund balance, end of year	<u><u>\$ 38,154</u></u>	<u><u>\$ 38,154</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (42,116)</u></u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

UNION COUNTY SHERIFF
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS - BUDGET AND ACTUAL
SEPTEMBER 30, 2019

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund and the intergovernmental shared special revenue fund. All annual appropriations lapse at fiscal year-end. A formal budget is not adopted for the inmate welfare fund.

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

**UNION COUNTY SHERIFF
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019**

	<u>Fines & Bonds Fund</u>	<u>Individual / Suspense Fund</u>	<u>Total</u>
ASSETS			
Cash and equivalents	<u>\$ 4,674</u>	<u>\$ 24,426</u>	<u>\$ 29,100</u>
LIABILITIES			
Assets held for others	<u>\$ 4,674</u>	<u>\$ 24,426</u>	<u>\$ 29,100</u>

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

**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**

The Honorable Brad Whitehead, Sheriff,
Union County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Union County Sheriff (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Sheriff's special-purpose financial statements, and have issued our report thereon dated May 22, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

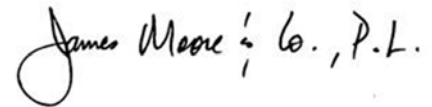
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE
AUDITOR GENERAL**

The Honorable Brad Whitehead, Sheriff,
Union County, Florida:

We have audited the financial statements of the Union County Sheriff (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 22, 2020.

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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 22, 2020, 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. Corrective actions have been taken to address all findings and recommendations made in the preceding 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. The Union County Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Sheriff, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Sheriff to be disclosed as required by accounting principles generally accepted in the United States of America.

Financial Management

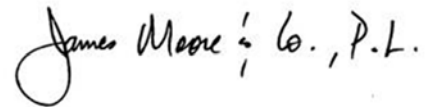
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 Union County Sheriff, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

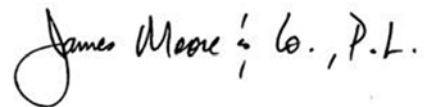
The Honorable Brad Whitehead, Sheriff,
Union County, Florida:

We have examined the Union County Sheriff's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Union County Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 22, 2020



UNION COUNTY PROPERTY APPRAISER
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

UNION COUNTY PROPERTY APPRAISER
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Bruce D. Dukes, Property Appraiser,
Union County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Union County Property Appraiser (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Union County Property Appraiser as of September 30, 2019, 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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Union County, Florida, that is attributable to the Union County Property Appraiser. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2019, 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.

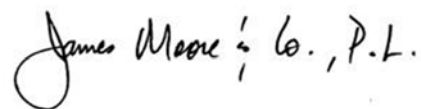
Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Property Appraiser'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 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 Union County Property Appraiser's internal control over financial reporting and compliance.



Gainesville, Florida
May 22, 2020

**UNION COUNTY PROPERTY APPRAISER
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30,2019**

	<u>General Fund</u>
ASSETS	
Cash and equivalents	\$ 11,596
Due from other governments	<u>8,103</u>
Total Assets	<u><u>\$ 19,699</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenditures	\$ 14,022
Due to other governments	<u>5,677</u>
Total Liabilities	19,699
 Fund Balance:	
Unassigned	-
 Total Liabilities and Fund Balance	<u><u>\$ 19,699</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**UNION COUNTY PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30,2019**

	General Fund
Revenues	
Charges for services	\$ 200
Intergovernmental revenue	8,087
Miscellaneous revenue	758
Total revenues	<u>9,045</u>
Expenditures	
General government	419,635
Excess (deficiency) of revenues over expenditures	<u>(410,590)</u>
Other financing sources (uses)	
Appropriations from board of county commissioners	416,158
Reversion to board of county commissioners	(5,568)
Total other financing sources (uses)	<u>410,590</u>
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement.

**UNION COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(1) Summary of Significant Accounting Policies:

The accounting policies of the Union County Property Appraiser (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**—The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Property Appraiser, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of Union County, the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the Union County, Florida, financial statements to properly reflect the county-wide General Fund.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

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

The Office reports the following major governmental fund; there are no non-major governmental funds:

General Fund – The principal operating fund of the Office. It is used to account for all financial resources.

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

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

**UNION COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Cash**—The Office's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Useful Lives</u>
Vehicles	4 – 6 years

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

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Property Appraiser is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government's discretion.

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office's general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

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

**UNION COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(2) Budgets and Budgetary Accounting:

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end.

(3) Investments:

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool.

Interest Rate Risk. The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) Risk Management:

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

(5) Long-term Liabilities:

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 2,305	\$ 6,504	\$ (6,353)	\$ 2,456	\$ 3,645

**UNION COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(6) Pension Plan:

The Office participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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.

For financial reporting purposes, the Office is deemed to be part of the primary government of Union County, Florida. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

**UNION COUNTY PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30,2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ -	\$ -	\$ 200	\$ 200
Intergovernmental revenue	-	-	8,087	8,087
Miscellaneous revenue	-	-	758	758
Total Revenues	-	-	9,045	9,045
Expenditures				
General government	426,150	427,258	419,635	7,623
Excess (deficiency) of revenues over expenditures	(426,150)	(427,258)	(410,590)	16,668
Other financing sources (uses)				
Appropriations from Board of County Commissioners	426,150	427,258	416,158	(11,100)
Reversion to Board of County Commissioners	-	-	(5,568)	(5,568)
Total other financing sources (uses)	426,150	427,258	410,590	(16,668)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

**UNION COUNTY PROPERTY APPRAISER
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

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

The Property Appraiser follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

ADDITIONAL INFORMATION

**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**

The Honorable Bruce D. Dukes, Property Appraiser,
Union County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Union County Property Appraiser (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Property Appraiser's special-purpose financial statements, and have issued our report thereon dated May 22, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Gainesville, FL 32607-2063
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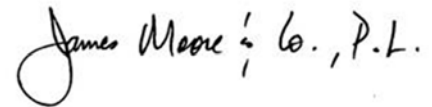
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE
AUDITOR GENERAL**

The Honorable Bruce D. Dukes, Property Appraiser,
Union County, Florida:

We have audited the financial statements of the Union County Property Appraiser (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 22, 2020.

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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 22, 2020, 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. Corrective actions have been taken to address all findings and recommendations made in the preceding 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. The Union County Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Property Appraiser, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Property Appraiser to be disclosed as required by accounting principles generally accepted in the United States of America.

Financial Management

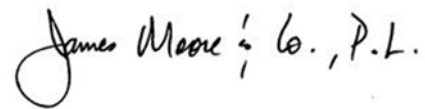
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 Union County Property Appraiser, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

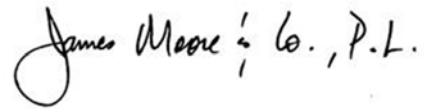
The Honorable Bruce D. Dukes, Property Appraiser,
Union County, Florida:

We have examined the Union County Property Appraiser's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Union County Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 22, 2020



UNION COUNTY SUPERVISOR OF ELECTIONS

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2019

UNION COUNTY SUPERVISOR OF ELECTIONS
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Deborah K. Osborne, Supervisor of Elections,
Union County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Union County Supervisor of Elections, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Supervisor of Elections' financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Union County Supervisor of Elections as of September 30, 2019, 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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Union County, Florida, that is attributable to the Union County Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2019, 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.

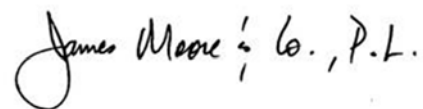
Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Supervisor of Elections' 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 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 Union County Supervisor of Elections' internal control over financial reporting and compliance.



Gainesville, Florida
May 22, 2020

**UNION COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2019**

	<u>General Fund</u>
ASSETS	
Cash and equivalents	<u>\$ 1,654</u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Due to Board of County Commissioners	\$ 1,654
 Fund Balance:	
Unassigned	-
 Total Liabilities and Fund Balance	<u><u>\$ 1,654</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**UNION COUNTY SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>General Fund</u>
Revenues	
Charges for services	\$ 555
Expenditures	
Current:	
General government	418,288
Debt service:	
Principal	12,821
Total Expenditures	<u>431,109</u>
Excess (deficiency) of revenues over expenditures	<u>(430,554)</u>
Other financing sources (uses)	
Appropriations from Board of County Commissioners	432,208
Reversion to Board of County Commissioners	(1,654)
Total other financing sources	<u>430,554</u>
Net change in fund balance	<u>-</u>
Fund balance, beginning of year	-
Fund balance, end of year	<u><u>\$ -</u></u>

The accompanying notes to financial statements are an integral part of this statement.

UNION COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) Summary of Significant Accounting Policies:

The accounting policies of the Union County Supervisor of Elections (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**—The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Supervisor of Elections, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of Union County, the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the Union County, Florida, financial statements to properly reflect the county-wide General Fund.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

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

The Office reports the following major governmental fund; there are no non-major governmental funds:

General Fund – The principal operating fund of the Office. It is used to account for all financial resources.

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

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

UNION COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Useful Lives</u>
Building and improvements	15 – 39 years
Equipment	3 – 20 years

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

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Supervisor of Elections is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office’s general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

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

UNION COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(2) Budgets and Budgetary Accounting:

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end

(3) Investments:

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool.

Interest Rate Risk. The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depositary Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) Risk Management:

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

(5) Long-term Liabilities:

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 10,029	\$ 8,492	\$ (13,470)	\$ 5,052	\$ 3,514

UNION COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(6) Pension Plan:

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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.

For financial reporting purposes, the Office is deemed to be part of the primary government of Union County, Florida. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

**UNION COUNTY SUPERVISOR OF ELECTIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ -	\$ -	\$ 555	\$ 555
Expenditures				
Current:				
General government	375,846	395,589	418,288	(22,699)
Debt service:				
Principal	12,821	12,821	12,821	-
Total expenditures	388,667	408,410	431,109	(22,699)
Excess (deficiency) of revenues over expenditures	(388,667)	(408,410)	(430,554)	(22,144)
Other financing sources (uses)				
Appropriations from Board of County Commissioners	388,667	408,410	432,208	23,798
Reversion to Board of County Commissioners	-	-	(1,654)	(1,654)
Total other financing sources (uses)	388,667	408,410	430,554	22,144
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

**UNION COUNTY SUPERVISOR OF ELECTIONS
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) Budgetary Information:

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

The Supervisor of Elections follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Expenditures exceeded appropriations in the general fund by \$22,699. These over-expenditures were funded by grant revenues and carryforwards for which the related revenue and expense budget amendment was not made. The grant revenues were received at the Board of County Commissioners and passed through the Office as additional appropriations.

ADDITIONAL INFORMATION

**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**

The Honorable Deborah K. Osborne, Supervisor of Elections,
Union County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Union County Supervisor of Elections (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Supervisor of Elections' special-purpose financial statements, and have issued our report thereon dated May 22, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

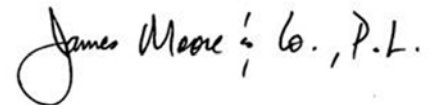
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE
AUDITOR GENERAL**

The Honorable Deborah K. Osborne, Supervisor of Elections,
Union County, Florida:

We have audited the financial statements of the Union County Supervisor of Elections (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 22, 2020.

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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 22, 2020, 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. Corrective actions have been taken to address all findings and recommendations made in the preceding 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. The Union County Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Supervisor of Elections, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Supervisor of Elections to be disclosed as required by accounting principles generally accepted in the United States of America.

Financial Management

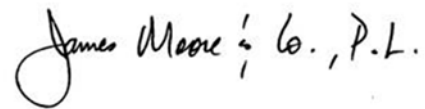
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 Union County Supervisor of Elections, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

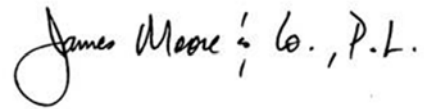
The Honorable Deborah K. Osborne, Supervisor of Elections,
Union County, Florida:

We have examined the Union County Supervisor of Elections' (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Union County Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 22, 2020



UNION COUNTY TAX COLLECTOR
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

UNION COUNTY TAX COLLECTOR
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Lisa B. Johnson, Tax Collector,
Union County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Union County Tax Collector (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Tax Collector's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinion

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 Union County Tax Collector as of September 30, 2019, 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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Union County, Florida, that is attributable to the Union County Tax Collector. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2019, 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.

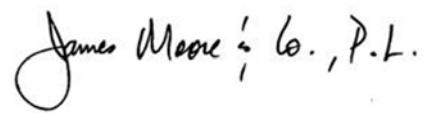
Other Matters

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County 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 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 Union County Tax Collector's internal control over financial reporting and compliance.



Gainesville, Florida
May 22, 2020

**UNION COUNTY TAX COLLECTOR
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2019**

	<u>General Fund</u>
Assets	
Cash and equivalents	<u>\$ 6,405</u>
Liabilities and Fund Balance	
Liabilities	
Due to Board of County Commissioners	\$ 6,405
Fund balance	
Unassigned	-
Total Liabilities and Fund Balance	<u>\$ 6,405</u>

The accompanying notes to financial statements are an integral part of this statement.

UNION COUNTY TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>General Fund</u>
Revenues	
Charges for services	\$ 235,496
Miscellaneous revenue	333
Total revenues	<u>235,829</u>
Expenditures	
General government	347,658
Excess (deficiency) of revenues over expenditures	<u>(111,829)</u>
Other financing sources (uses)	
Appropriations from Board of County Commissioners	118,234
Reversion to Board of County Commissioners	(6,405)
Total other financing sources (uses)	<u>111,829</u>
Net change in fund balance	<u>-</u>
Fund balance, beginning of year	-
Fund balance, end of year	<u><u>\$ -</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**UNION COUNTY TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2019**

	<u>Agency Fund</u>
Assets	
Cash and equivalents	<u><u>\$ 118,202</u></u>
Liabilities	
Assets held for others	<u><u>\$ 118,202</u></u>
Net Position	<u><u>\$ -</u></u>

The accompanying notes to financial statements are an integral part of this statement.

UNION COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) Summary of Significant Accounting Policies:

The accounting policies of the Union County Tax Collector (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**— The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Tax Collector, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of Union County, the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the Union County, Florida, financial statements to properly reflect the county-wide General Fund. Other funds are shown separately in the appropriate sections of the county-wide financial statements.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

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

The Office reports the following major governmental fund; there are no non-major governmental funds:

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

Additionally, the Tax Collector reports the following fiduciary fund type:

Agency Fund - Used to account for assets held by the Office as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Tax Collector’s Agency Fund is used to account for the collection and distribution of property taxes, sales tax, vehicle tags and titles, boat registrations and titles, fishing licenses, and driver’s licenses.

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

UNION COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

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

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Useful Lives</u>
Building and improvements	20 years
Computer software	3 – 10 years
Machinery and equipment	3 – 20 years

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

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Tax Collector is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

**UNION COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(1) Summary of Significant Accounting Policies: (Continued)

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office's general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

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

(2) Budgets and Budgetary Accounting:

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end.

(3) Investments:

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool.

Interest Rate Risk. The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) Risk Management:

The County purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

(5) Long-term Liabilities:

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 3,564	\$ 5,209	\$ (4,832)	\$ 3,941	\$ 1,101

**UNION COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(6) Pension Plan:

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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.

For financial reporting purposes, the Office is deemed to be part of the primary government of Union County, Florida. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

UNION COUNTY TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Charges for services	\$ 230,456	\$ 230,456	\$ 235,496	\$ 5,040
Miscellaneous revenue	-	-	333	333
Total revenues	230,456	230,456	235,829	5,373
Expenditures				
General government	348,690	348,690	347,658	1,032
Excess (deficiency) of revenues over expenditures	(118,234)	(118,234)	(111,829)	6,405
Other financing sources (uses)				
Appropriations from Board of County Commissioners	118,234	118,234	118,234	-
Reversion to Board of County Commissioners	-	-	(6,405)	(6,405)
	118,234	118,234	111,829	(6,405)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

**UNION COUNTY TAX COLLECTOR
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

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

The Tax Collector follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

ADDITIONAL INFORMATION

**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**

The Honorable Lisa B. Johnson, Tax Collector,
Union County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Union County Tax Collector (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Tax Collector's special-purpose financial statements, and have issued our report thereon dated May 22, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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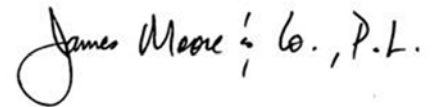
2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE
AUDITOR GENERAL**

The Honorable Lisa B. Johnson, Tax Collector,
Union County, Florida:

We have audited the financial statements of the Union County Tax Collector (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 22, 2020.

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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 22, 2020, 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. Corrective actions have been taken to address all findings and recommendations made in the preceding 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. The Union County Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Tax Collector, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Tax Collector to be disclosed as required by accounting principles generally accepted in the United States of America.

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Financial Management

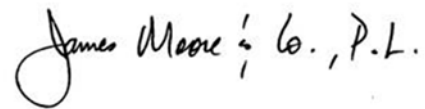
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 Union County Tax Collector, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

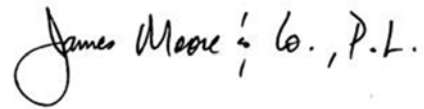
The Honorable Lisa B. Johnson, Tax Collector,
Union County, Florida:

We have examined the Union County Tax Collector's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Union County Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 22, 2020



UNION COUNTY CLERK OF THE CIRCUIT COURT

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2019

UNION COUNTY CLERK OF THE CIRCUIT COURT

**SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Kellie Hendricks Connell, Clerk of the Circuit Court,
Union County, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Union County Clerk of the Circuit Court (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Clerk of the Circuit Court's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Opinion

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 Union County Clerk of the Circuit Court as of September 30, 2019, 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

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Union County, Florida, that is attributable to the Union County Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2019, 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 basic financial statements. Such information, although not a required part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

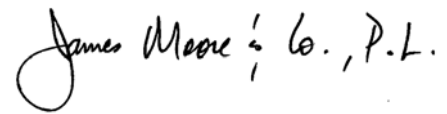
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Clerk of the Circuit Court'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 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 Union County Clerk of the Circuit Court's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

UNION COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	<u>General Fund</u>	<u>Records Modernization</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 219,107	\$ 89,899	\$ 309,006
Receivables	248	-	248
Due from other funds	19,580	1,243	20,823
Due from other governments	17,973	-	17,973
Total Assets	<u>\$ 256,908</u>	<u>\$ 91,142</u>	<u>\$ 348,050</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued expenses	\$ 35,446	\$ 4,939	\$ 40,385
Due to other funds	10	-	10
Due to other governments	113,219	-	113,219
Total Liabilities	<u>148,675</u>	<u>4,939</u>	<u>153,614</u>
Fund Balances			
Restricted for:			
Title IV D	108,233	-	108,233
Records Modernization	-	86,203	86,203
Total fund balances	<u>108,233</u>	<u>86,203</u>	<u>194,436</u>
Total Liabilities and Fund Balances	<u>\$ 256,908</u>	<u>\$ 91,142</u>	<u>\$ 348,050</u>

The accompanying notes to financial statements are an integral part of this statement.

UNION COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General Fund	Records Modernization	Total Governmental Funds
Revenues			
Intergovernmental revenue	\$ 421,831	\$ -	\$ 421,831
Charges for services	159,430	14,260	173,690
Fines and forfeitures	28,723	-	28,723
Miscellaneous revenue	6,954	-	6,954
Total revenues	<u>616,938</u>	<u>14,260</u>	<u>631,198</u>
Expenditures			
Current:			
General government	233,863	-	233,863
Court related	503,620	14,184	517,804
Total expenditures	<u>737,483</u>	<u>14,184</u>	<u>751,667</u>
Excess (deficiency) of revenues over expenditures	<u>(120,545)</u>	<u>76</u>	<u>(120,469)</u>
Other financing sources (uses)			
Appropriations from Board of County Commissioners	244,224	-	244,224
Article V Reversion	(30,269)	-	(30,269)
Reversion to Board of County Commissioners	(82,845)	-	(82,845)
Total other financing sources (uses)	<u>131,110</u>	<u>-</u>	<u>131,110</u>
Net change in fund balance	<u>10,565</u>	<u>76</u>	<u>10,641</u>
Fund Balance, beginning of year	97,668	86,127	183,795
Fund Balance, end of year	<u><u>\$ 108,233</u></u>	<u><u>\$ 86,203</u></u>	<u><u>\$ 194,436</u></u>

The accompanying notes to financial statements are an integral part of this statement.

UNION COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2019

Assets	
Cash and cash equivalents	\$ 187,436
Receivables	1,205
Due From other funds	10
Total Assets	<u><u>\$ 188,651</u></u>
Liabilities	
Assets held for others	\$ 73,685
Accounts payable and accrued expenses	975
Due to other funds	20,823
Due to other governments	93,168
Total Liabilities	<u><u>\$ 188,651</u></u>
Net Position	<u><u>\$ -</u></u>

The accompanying notes to financial statements are an integral part of this statement.

UNION COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) Summary of Significant Accounting Policies:

The accounting policies of the Union County Clerk of the Circuit Court (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**—The Clerk is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Clerk, was established by Chapter 8516, Laws of Florida in 1921. The Office is an integral part of Union County, the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the Union County, Florida, financial statements to properly reflect the county-wide General Fund. Other funds are shown separately in the appropriate sections of the county-wide financial statements.

(b) **Basis of presentation**—The Office’s financial statements are special-purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida (the Rules). In conformity with the Rules, the Office has not presented the government-wide financial statements, the reconciliations to the government-wide statements or management’s discussion and analysis.

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

The Office reports the following major governmental funds; there are no non-major governmental funds:

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

Records Modernization Trust Fund- The Records Modernization Trust Fund is used to account for additional recording fees, which are collected by the Clerk’s office and are earmarked for the modernization of recording service operations.

Additionally, the Office reports the following fiduciary fund type:

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

UNION COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Measurement focus/basis of accounting**—All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources”. Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

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

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

<u>Assets</u>	<u>Useful Lives</u>
Building and improvements	15 – 39 years
Equipment	3 – 10 years

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

(g) **Accounts payable**—Accounts payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

UNION COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

- (i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Clerk is a county constitutional officer, any non-restricted funds remaining at the end of the fiscal year are returned to the appropriate budget authority. Restricted fund balance represents funds constrained to specific purposes by their providers through constitutional provisions or enabling legislation.

The Office does not have a formal written policy regarding whether restricted or unrestricted amounts are considered to be spent when an expenditure for purposes for which both restricted and unrestricted fund balances are available. However, it has been the Office's general practice when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; the Office considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Office considers amounts to have been spent first out of committed funds, then assigned funds, and lastly unassigned funds, as needed.

- (j) **Use of estimates**—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

(2) **Budgets and Budgetary Accounting:**

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund and the Records Modernization Trust Fund. All budget amounts presented in the accompanying special-purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. The annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end.

(3) **Cash and Investments:**

Florida Statutes authorize the Office to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool.

Interest Rate Risk. The Office does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) **Risk Management:**

The Office purchased commercial insurance to limit the exposure of the following risks of loss: theft of, damage to, and destruction of assets; natural disasters and injuries to employees. Commercial insurance has been purchased by the Office to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from all risks have not exceeded insurance coverage in any of the past three years.

**UNION COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(5) Long-term Liabilities:

A summary of changes in long-term liabilities of the Office for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 51,748	\$ 31,295	\$ (29,535)	\$ 53,508	\$ 16,322

(6) Pension Plan:

The entity participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. 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 FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received 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.

For financial reporting purposes, the Office is deemed to be part of the primary government of Union County, Florida. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

UNION COUNTY CLERK OF THE CIRCUIT COURT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND - BUDGET AND ACTUAL
SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue	\$ 417,322	\$ 417,322	\$ 421,831	\$ 4,509
Charges for services	89,548	89,548	159,430	69,882
Fines and forfeitures	28,723	28,723	28,723	-
Miscellaneous revenue	9,600	9,600	6,954	(2,646)
Total revenues	<u>545,193</u>	<u>545,193</u>	<u>616,938</u>	<u>71,745</u>
Expenditures				
Current:				
General government	243,102	243,102	233,863	9,239
Court related	509,296	509,296	503,620	5,676
Total expenditures	<u>752,398</u>	<u>752,398</u>	<u>737,483</u>	<u>14,915</u>
Excess (deficiency) of revenues over expenditures	<u>(207,205)</u>	<u>(207,205)</u>	<u>(120,545)</u>	<u>86,660</u>
Other financing sources (uses)				
Appropriations from Board of County Commissioners	244,224	244,224	244,224	-
Article V Reversion	-	-	(30,269)	(30,269)
Reversion to Board of County Commissioners	(67,019)	(67,019)	(82,845)	(15,826)
Total other financing sources (uses)	<u>177,205</u>	<u>177,205</u>	<u>131,110</u>	<u>(46,095)</u>
Net change in fund balance	(30,000)	(30,000)	10,565	40,565
Fund Balance, beginning of year	97,668	97,668	97,668	-
Fund Balance, end of year	<u>\$ 67,668</u>	<u>\$ 67,668</u>	<u>\$ 108,233</u>	<u>\$ 40,565</u>

The accompanying notes to required supplementary information are an integral part of this statement.

UNION COUNTY CLERK OF THE CIRCUIT COURT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
RECORDS MODERNIZATION TRUST FUND - BUDGET AND ACTUAL
SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for services	\$ 14,500	\$ 14,500	\$ 14,260	\$ (240)
Expenditures				
Current:				
Court related	23,500	23,500	14,184	9,316
Net change in fund balance	<u>(9,000)</u>	<u>(9,000)</u>	<u>76</u>	<u>9,076</u>
Fund Balance , beginning of year	86,127	86,127	86,127	-
Fund Balance , end of year	<u><u>\$ 77,127</u></u>	<u><u>\$ 77,127</u></u>	<u><u>\$ 86,203</u></u>	<u><u>\$ 9,076</u></u>

The accompanying notes to required supplementary information are an integral part of this statement.

**UNION COUNTY CLERK OF THE CIRCUIT COURT
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) Budgetary Information:

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund and the records modernization trust fund. All annual appropriations lapse at fiscal year-end.

The Clerk follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

UNION COUNTY CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2019

	General Agency Fund	Domestic Relations Fund	Registry of Court Fund	Total Agency Funds
Assets				
Cash and cash equivalents	\$ 113,569	\$ 2,692	\$ 71,175	\$ 187,436
Receivables	1,205	-	-	1,205
Due from other funds	10	-	-	10
Total Assets	\$ 114,784	\$ 2,692	\$ 71,175	\$ 188,651
Liabilities				
Assets held for others	\$ 2,500	\$ 10	\$ 71,175	\$ 73,685
Accounts payable and accrued expenses	975	-	-	975
Due to other funds	18,250	2,573	-	20,823
Due to other governments	93,059	109	-	93,168
Total Liabilities	\$ 114,784	\$ 2,692	\$ 71,175	\$ 188,651
Net Position	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

**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**

The Honorable Kellie Hendricks Connell, Clerk of the Circuit Court,
Union County, Florida:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund of the Union County Clerk of the Circuit Court (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Union County Clerk of the Circuit Court's special-purpose financial statements, and have issued our report thereon dated May 22, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

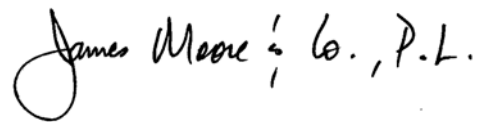
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
May 22, 2020

**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE
AUDITOR GENERAL**

The Honorable Kellie Hendricks Connell, Clerk of the Circuit Court,
Union County, Florida:

We have audited the financial statements of the Union County Clerk of the Circuit Court (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 22, 2020.

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 Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 22, 2020, 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.

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 Union County Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Clerk, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Clerk of the Circuit Court to be disclosed as required by accounting principles generally accepted in the United States of America.

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Financial Management

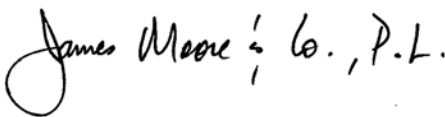
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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 Union County Clerk of the Circuit Court, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
May 22, 2020

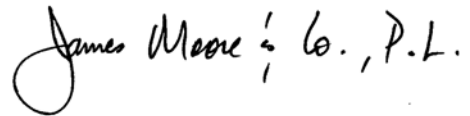
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

The Honorable Kellie Hendricks Connell, Clerk of the Circuit Court,
Union County, Florida:

We have examined the Union County Clerk of the Circuit Court's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, Section 28.36, Florida Statutes, *Budget Procedure*, and Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees* (collectively, "the Statutes"), for the year ended September 30, 2019. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with the Statutes for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, 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.

In our opinion, the Union County Clerk of the Circuit Court complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.



Gainesville, Florida
May 22, 2020