

**TAYLOR COUNTY,
FLORIDA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2018

TAYLOR COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2018
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INTRODUCTORY SECTION

TAYLOR COUNTY, FLORIDA
LIST OF PRINCIPAL OFFICIALS

Board of County Commissioners

District I	Malcolm Page
District II	Jim Moody
District III	Sean Murphy
District IV	Pam Feagle
District V	Thomas Demps

Clerk of Circuit Court	Annie Mae Murphy
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Property Appraiser	Bruce Ratliff
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Sheriff	Wayne Padgett
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Supervisor of Elections	Dana Southerland
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Tax Collector	Mark Wiggins
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COUNTY-WIDE FINANCIAL REPORT



Powell & Jones
Certified Public Accountants

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Marian Jones Powell, CPA

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Taylor County, Florida, as of and for the fiscal year ended September 30, 2018, which collectively comprise Taylor County, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Taylor County, Florida as of September 30, 2018, and the respective changes in financial position and cash flows, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 17, the budgetary comparison information on pages 68 through 77 and the pension schedules on pages 78 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

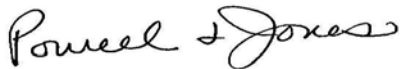
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Taylor County, Florida's financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by *10.550 Rules of the State of Florida, Office of the Auditor General*; and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2019, on our consideration of Taylor County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering Taylor County, Florida's internal control over financial reporting and compliance.

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

POWELL & JONES
Certified Public Accountants
March 14, 2019

TAYLOR COUNTY, FLORIDA
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2018

Taylor County, Florida's (County) management's discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2018. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

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

Its intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at fiscal year end September 30, 2018.

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

The statement of activities presents information on all revenues and expenses of the County and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the County. To

assist in understanding the County's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the County include public safety, physical environment, transportation, economic environment, human services, culture and recreation, and general government services. Business-type activities financed by user charges include the airport fuel operation.

Fund financial statements

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

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

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

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

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

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

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

Notes to the financial statements

The Notes to the financial statements provide additional detail concerning the financial activities and financial balances of the County. Additional information about the accounting practices of the

County, investments of the County, long-term debt, and pension plan are some of the items included in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Total assets of the County exceeded total liabilities by \$91,292,873 (net position). Unrestricted net position for governmental activities was \$2,525,256 and for business-type activities was \$144,616. Governmental Activities restricted net position was \$5,351,222, and was \$-0- for Business-type Activities.

Total net position decreased by \$(686,328). Of that amount, \$(712,251) is attributable to Governmental Activities and \$25,923 is attributable to Business-type Activities. This decrease is primarily due to the requirement to record depreciation in these financial statements.

Governmental Activities revenues increased \$606,146 to \$27,557,001. This 2.25% net increase in revenue was primarily attributable to an overall increase in revenue from the prior year. Governmental Activities expenses increased by \$529,990 to \$28,269,252. This increase in expenses of 2% was primarily due to a slight inflation in overall expenses.

Business-type activities operating revenues increased 19% to \$198,831, while business-type expenses increased to \$172,908. The fund experienced a net gain of \$25,923.

FINANCIAL ANALYSIS OF THE COUNTY

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At September 30, 2018, the assets of the County exceed liabilities by \$91,292,873.

The following schedule provides a summary of the assets, liabilities, and net position of the County.
September 30, 2018 and 2017

	Governmental Activities	Business-type Activities	Total Government 2018	2017
Assets				
Current assets	\$ 20,691,748	\$ 169,929	\$ 20,861,677	\$ 20,360,174
Restricted assets	-	-	-	1,107,000
Non-current assets	84,391,882	88,804	84,480,686	85,206,837
Total assets	105,083,630	258,733	105,342,363	106,674,011
Deferred Outflows of Resources	6,486,053	8,884	6,494,937	7,084,884
Liabilities				
Current liabilities (payable from current assets)	5,184,506	15,317	5,199,823	3,980,211
Current liabilities (payable from restricted assets)	-	-	-	1,107,000
Noncurrent liabilities	13,119,409	16,178	13,135,587	15,183,340
Total liabilities	18,303,915	31,495	18,335,410	20,270,551
Deferred Inflows of Resources	1,972,895	2,702	1,975,597	1,275,721
Net Position				
Net position invested in capital assets, net of related debt	83,416,395	88,804	83,505,199	82,202,213
Net position, restricted	5,351,222	-	5,351,222	6,125,035
Net position, unrestricted	2,525,256	144,616	2,669,872	3,885,375
Total Net Position	<u>\$ 91,292,873</u>	<u>\$ 233,420</u>	<u>\$ 91,526,293</u>	<u>\$ 92,212,623</u>

91% of the County's net position reflects its investment in capital assets (land, buildings and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional 6% of the County's net position represents resources that are dedicated or subject to restrictions on how they may be used. The remaining balance of unrestricted net position \$2,525,256 may be used to meet the government's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the changes in net position. The decrease in net position is due primarily to recording depreciation expense which is not funded.

Changes in Net Position

Fiscal Years Ended September 30, 2018 and 2017

	Governmental Activities	Business-type Activities	Total Government 2018	2017
Revenues:				
Program Revenues				
Charges for services	\$ 3,779,293	\$ 197,990	\$ 3,977,283	\$ 3,905,481
Operating grants/contributions	1,282,224	-	1,282,224	2,761,206
Capital grants/contributions	2,424,752	-	2,424,752	952,390
General Revenues				
Property taxes	11,266,469	-	11,266,469	10,864,998
Sales and use taxes	3,393,455	-	3,393,455	3,579,228
Franchise fees	17,359	-	17,359	16,607
Communications surtax	94,358	-	94,358	92,966
State shared revenues	4,754,762	-	4,754,762	4,555,294
Other	544,329	284	544,613	389,598
Transfers	-	557	557	-
Total revenues	<u>27,557,001</u>	<u>198,831</u>	<u>27,755,832</u>	<u>27,117,768</u>
Expenses:				
General government	6,051,044	-	6,051,044	5,789,395
Public safety	10,173,550	-	10,173,550	10,192,115
Physical environment	1,618,145	-	1,618,145	1,506,869
Transportation	5,674,570	172,908	5,847,478	5,597,266
Economic environment	1,058,082	-	1,058,082	1,058,184
Human services	1,502,806	-	1,502,806	1,527,521
Culture/recreation	1,223,021	-	1,223,021	1,271,993
Court-related	957,593	-	957,593	889,240
Interest on long-term debt	9,884	-	9,884	75,082
Transfers	557	-	557	-
Total expenses and transfers	<u>28,269,252</u>	<u>172,908</u>	<u>28,442,160</u>	<u>27,907,665</u>
Increase (decrease) in net position	(712,251)	25,923	(686,328)	(789,897)
Beginning net position	92,005,124	207,497	92,212,621	93,002,518
Ending net position	<u>\$ 91,292,873</u>	<u>\$ 233,420</u>	<u>\$ 91,526,293</u>	<u>\$ 92,212,621</u>

Property taxes provide 40.88% of the revenues for Governmental Activities, while state shared revenues provide 17.25%, and sales and use taxes provide 12.31%. Most of the Governmental

Activities resources are spent for Public Safety (36%), General Government (21%), Human Services (5.3%), Transportation (20.07%), and Physical Environment (5.72%).

FUND FINANCIAL INFORMATION

Governmental Funds

General Fund

The County's General Fund is the main operating fund of the County. It is used to account for all financial resources that are not restricted by State or Federal laws, County ordinances or other externally imposed requirements. As of September 30, 2018, total assets were \$9,411,954 and total liabilities were \$326,611. The ending fund balance was \$9,085,343. \$1,708,628 of the ending fund balance is assigned or restricted for specific identified purposes. \$7,376,715 is reflected as unassigned in the financial statements, but is included in the budget for the next fiscal year to fund reserves and various capital projects.

As of September 30, 2018, total revenue, \$14,983,380 exceeded total expenditures of \$6,975,653, by \$8,007,727. In addition, \$8,707,109 was also transferred to constitutional officers to fund their budgets and to other funds for operational costs. Total transfers in from other funds was \$230,665. The net decrease in the fund balance in the General Fund was \$(468,717).

During the fiscal year, the County amended and increased the General Fund budget by \$2,606,820. The County budgeted ad valorem taxes at 95% of the total tax levy, as allowed by State law; actual collections were 97%.

Other Governmental Funds

Financial highlights of selected other County funds follow:

The Hospital Sales Tax Revenue Fund accounts for the local one-cent discretionary small county sales surtax. County voters approved the one-cent sales tax in October 1999, for a period of 30 years, beginning January 1, 2000. The proceeds from the sales tax are used to pay the principal and interest payments on the Sales Tax Revenue Bonds, that were issued to provide funds to acquire, construct, and equip a hospital facility located in the County. The sales tax generated \$2,069,666 in the 2018 fiscal year, reflecting a 12% decrease from the prior fiscal year's \$2,355,876.

The Municipal Services Taxing Unit (MSTU) Fund is used to account for the provision of fire services, building and planning services, animal control and code enforcement. The primary source of funds, 83%, is ad valorem taxes. 58% of the total expenditures incurred in the MSTU fund are for fire services provided in the unincorporated area of the County.

The Road and Bridge (Transportation) Fund accounts for motor fuel taxes designated for the annual maintenance of roads, bridges, right-of-way, drainage systems, etc. The County has the legal authority to levy ad valorem taxes for the Transportation Fund, but has elected not to do so. As of September 30, 2018, expenditures exceeded revenue by \$(264,689). Operational costs of the County Road Department increased by \$(39,282) while capital expenditures increased by \$(813,176). Gas tax revenue increased at a rate of 4.6%. Secondary road paving funds are utilized for funding shortfalls in the road and bridge operations fund. \$567,799 was transferred in the 2018 fiscal year which would otherwise been available for road paving or other purposes.

The Secondary Road Projects (Paving) Fund accounts for the use of gas taxes restricted for transportation improvements, such as roads, bridges, and right-of-way acquisition. This gas tax revenue increased by 2% \$19,368. \$69,594 was expended for road paving projects in 2018 as

compared to \$101,820 in expenditures in 2017. \$567,799 was transferred to the Road and Bridge Fund. This fund had a fund balance of \$2,719,028 at the end of the 2018 fiscal year. These funds have been, or will be committed for on-going road-paving projects.

The Sheriff General Fund is the operating fund of the Sheriff, a constitutional officer. The primary source of funds are transfers from the Board of County Commissioners General Fund. Expenditures represent 21.78% of total expenditures of the governmental activities. Expenditures total \$6,367,402 for the year. By law this fund has no ending fund balance.

Proprietary Fund

The Airport Enterprise Fund is used to account for the revenues, expenses, assets, and liabilities associated with the County operated aviation fuel sales at the County airport facility. This is operated like a business, where the rates established by the County should generate sufficient funds to pay the costs of current operations and provide for the accumulation of funding for capital asset acquisition. Total assets as of September 30, 2018, were \$258,733 total liabilities were \$31,495, and net position was \$233,420. Operating revenue was \$198,274. Operating expenses were \$148,993. Then net operating gain was \$25,923.

CAPITAL ASSETS ACTIVITY

The County's capital assets for its governmental and business-type activities as of September 30, 2018, is \$84,480,686 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress, net of depreciation.

Capital Assets

	Beginning Balance	Additions	Deletions and Adjustments	Balance
<i>Governmental Activities:</i>				
Capital assets				
Land and improvements	\$ 23,671,029	\$ 258,930	\$ -	\$ 23,929,959
Construction in progress	5,100,556	688,335	-	5,788,891
Infrastructure	89,023,738	1,803,137	-	90,826,875
Buildings	28,436,149	609,188	-	29,045,337
Equipment	17,697,372	1,476,207	(177,720)	18,995,859
Sheriff equipment	2,560,058	-	(1,898)	2,558,160
Total capital assets	166,488,902	4,835,797	(179,618)	171,145,081
Less accumulated depreciation				
Board of County Commissioners	(79,792,530)	(4,983,576)	59,836	(84,716,270)
Sheriff	(1,563,213)	(474,883)	1,167	(2,036,929)
Total accumulated depreciation	(81,355,743)	(5,458,459)	61,003	(86,753,199)
Governmental activities capital assets, net	<u>\$ 85,133,159</u>	<u>\$ (622,662)</u>	<u>\$ (118,615)</u>	<u>\$ 84,391,882</u>
<i>Business type activities:</i>				
Equipment	\$ 136,154	\$ 15,410	\$ -	\$ 151,564
Less accumulated depreciation	(62,476)	(284)	-	(62,760)
Business activities capital assets, net	<u>\$ 73,678</u>	<u>\$ 15,126</u>	<u>\$ -</u>	<u>\$ 88,804</u>

The decrease of \$(726,141) from the prior year is primarily attributable to infrastructure depreciation.

DEBT MANAGEMENT

During the year the County paid \$2,604,000 on a Sales Tax Revenue Note which fully paid off this Note which originally refunded a bond issue used to construct a hospital. Also \$160,253 was paid on capital leases for park improvements and voting equipment. New equipment leases totaling \$735,116 were issued for equipment purchases.

OTHER FINANCIAL INFORMATION

Economic Factors and Next Year's Budget

- The unemployment rate for the County for 2018 was 3.7%. This represents a decrease from the prior fiscal year of 0.3%.
- The median family household income for the County in 2018 was \$36,195, 31% less than the statewide average of \$52,594.
- The County-wide ad valorem tax millage rate for the County was 7.2426 for 2018. There was an increase in revenue of \$374,074. As a fiscally constrained county, Taylor County received a distribution of \$579,059 from the State. It is hopeful that the "offset" will continue in the future.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

TAYLOR COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities	Business - type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,139,981	\$ 141,155	\$ 8,281,136
Accounts receivable - net	96,514	-	96,514
Due from agency funds	195,734	-	195,734
Due from other governmental units	2,951,547	-	2,951,547
Inventories	268,703	28,774	297,477
Investments	9,039,269	-	9,039,269
Total current assets	<u>20,691,748</u>	<u>169,929</u>	<u>20,861,677</u>
Noncurrent assets:			
Capital assets - net	84,391,882	88,804	84,480,686
Total assets	<u>105,083,630</u>	<u>258,733</u>	<u>105,342,363</u>
DEFERRED OUTFLOWS OF RESOURCES			
Share of pension plan deferred outflows	<u>6,486,053</u>	<u>8,884</u>	<u>6,494,937</u>
LIABILITIES			
Current liabilities (payable from current assets):			
Accounts payable	1,299,518	10,755	1,310,273
Accrued wages	73,530	-	73,530
Due to other governmental units	284	-	284
Unearned revenues	366,906	-	366,906
Accrued compensated absences	102,854	-	102,854
Capital leases - current portion	250,260	-	250,260
Pension liability	3,083,163	4,223	3,087,386
Other current liabilities	7,991	339	8,330
Total current liabilities (payable from current assets)	<u>5,184,506</u>	<u>15,317</u>	<u>5,199,823</u>
Noncurrent liabilities			
Capital leases payable	725,227	-	725,227
Accrued compensated absences	582,839	-	582,839
Pension plan liability	11,811,343	16,178	11,827,521
Total long-term liabilities	<u>13,119,409</u>	<u>16,178</u>	<u>13,135,587</u>
Total liabilities	<u>18,303,915</u>	<u>31,495</u>	<u>18,335,410</u>

(Continued)

TAYLOR COUNTY, FLORIDA
STATEMENT OF NET POSITION
September 30, 2018

	<u>Governmental Activities</u>	<u>Business - type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES			
Share of pension plan deferred inflows	1,972,895	2,702	1,975,597
	<u>1,972,895</u>	<u>2,702</u>	<u>1,975,597</u>
NET POSITION			
Invested in capital assets, net of related debt	83,416,395	88,804	83,505,199
Restricted	5,351,222	-	5,351,222
Unrestricted	2,525,256	144,616	2,669,872
Total net position	<u>\$ 91,292,873</u>	<u>\$ 233,420</u>	<u>\$ 91,526,293</u>

See notes to financial statements.

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2018**

	General	Special Revenue					Debt Service		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Road and Bridge	Municipal Services Taxing Unit	Hospital Sales Tax	Solid Waste	Sheriff Operating	Tax Collector Operating	Hospital	Secondary Road Projects		
ASSETS											
Cash	\$ 754,181	\$ -	\$ 922,663	\$ 1,632,905	\$ 383,202	\$ 162,023	91,626	\$ -	\$ 1,145,210	\$ 3,048,171	\$ 8,139,981
Accounts receivable	19,213	15	2,873	-	2,923	1,967	-	-	-	69,523	96,514
Due from other funds	2,171,670	596,775	33,363	-	7,281	40,269	-	-	56,860	185,988	3,092,206
Due from other governmental units	960,864	152,457	37,823	204,880	50	-	-	-	84,785	1,510,688	2,951,547
Inventories	-	268,703	-	-	-	-	-	-	-	-	268,703
Investments	5,506,026	415,604	503,632	2,532	84,617	-	-	28,310	2,088,959	409,589	9,039,269
Total assets	\$ 9,411,954	\$ 1,433,554	\$ 1,500,354	\$ 1,840,317	\$ 478,073	\$ 204,259	\$ 91,626	\$ 28,310	\$ 3,375,814	\$ 5,223,959	\$ 23,588,220
LIABILITIES AND FUND BALANCES											
LIABILITIES											
Accounts payable	\$ 241,864	\$ 112,134	13,372	27,165	\$ 55,762	\$ 5,219	\$ -	-	\$ 88,987	\$ 755,015	\$ 1,299,518
Accrued wages	24,987	18,337	19,374	-	9,876	-	-	-	-	956	73,530
Accrued payroll liabilities	1,121	-	-	-	-	-	-	-	-	-	1,121
Due to other funds	57,639	578,338	43,669	-	1,802	199,040	89,726	28,170	567,799	1,330,289	2,896,472
Due to other governmental units	-	-	284	-	-	-	-	-	-	-	284
Unearned revenues	1,000	-	-	-	-	-	-	-	-	365,906	366,906
Other current liabilities	-	-	-	-	-	-	1,900	-	-	4,970	6,870
Total liabilities	326,611	708,809	76,699	27,165	67,440	204,259	91,626	28,170	656,786	2,457,136	4,644,701
FUND BALANCES											
Nonspendable	-	268,703	-	-	-	-	-	-	-	-	268,703
Restricted	427,495	456,042	-	-	-	-	-	-	2,719,028	1,748,657	5,351,222
Assigned	1,281,133	-	1,423,655	1,813,152	410,633	-	-	140	-	1,018,166	5,946,879
Unassigned	7,376,715	-	-	-	-	-	-	-	-	-	7,376,715
Total fund balances	9,085,343	724,745	1,423,655	1,813,152	410,633	-	-	140	2,719,028	2,766,823	18,943,519
Total liabilities and fund balances	\$ 9,411,954	\$ 1,433,554	\$ 1,500,354	\$ 1,840,317	\$ 478,073	\$ 204,259	\$ 91,626	\$ 28,310	\$ 3,375,814	\$ 5,223,959	

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

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

84,391,882

Long-term liabilities are not due and payable and are therefore not reported in the funds:

Capital leases

(975,487)

Accrued compensated absences

(685,693)

FRS pension liability

(14,894,506)

Other deferred amounts are not reported in funds because they do not provide or use current resources:

Deferred outflows (inflows) of resources

4,513,158

Net position of governmental activities

\$ 91,292,873

See notes to financial statements.

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

	Special Revenue						Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Road and Bridge	Municipal Services Taxing Unit	Hospital Sales Tax	Solid Waste	Sheriff Operating	Tax Collector Operating	Hospital		
REVENUES										
Taxes	\$ 10,035,469	\$ 830,583	\$ 1,325,362	\$ 2,069,666	\$ 17,359	\$ -	\$ -	\$ -	\$ 493,207	\$ 14,771,646
Licenses and permits	-	260	176,264	-	-	-	-	-	-	176,524
Intergovernmental	4,244,921	825,863	58,182	-	12,026	-	-	-	2,600,594	8,736,954
Charges for services	316,403	-	3,160	-	-	84,011	821,009	-	692,784	1,917,367
Fines and forfeitures	12,567	-	-	-	-	-	-	-	160,886	173,453
Miscellaneous	135,843	15,808	27,552	-	112,112	1,536	-	-	34,538	327,389
Special assessments	125,798	-	-	-	1,038,002	-	-	-	49,193	1,212,993
Interest	112,379	5,624	11,668	2,288	2,925	-	1,913	198	7,771	190,171
Total revenues	<u>14,983,380</u>	<u>1,678,138</u>	<u>1,602,188</u>	<u>2,071,954</u>	<u>1,182,424</u>	<u>85,547</u>	<u>822,922</u>	<u>198</u>	<u>1,040,773</u>	<u>27,506,497</u>
EXPENDITURES										
Current expenditures										
General government	1,924,451	-	206,009	93,833	-	-	1,031,797	-	2,268,335	5,524,425
Public safety	1,329,865	-	1,088,982	-	-	6,367,402	-	-	96,255	8,882,504
Physical environment	238,974	1,473	-	-	1,105,095	-	-	-	120,875	1,466,417
Transportation	-	2,028,344	-	-	-	-	-	-	272,196	2,390,854
Economic environment	606,176	-	-	-	-	-	-	-	443,954	1,050,130
Human services	571,674	-	186,346	-	-	-	-	-	-	758,020
Culture / recreation	733,938	-	-	-	-	-	-	-	51,581	785,519
Court-related	149,353	-	-	-	-	-	-	-	662,316	811,669
Capital outlay										
General government	155,436	-	348,116	-	-	-	-	-	83,033	586,585
Public safety	510,034	-	51,603	-	-	-	-	-	8,399	570,036
Physical environment	26,875	-	-	-	57,104	-	-	-	-	83,979
Transportation	211,370	890,515	-	-	-	-	-	-	69,594	1,903,788
Economic environment	-	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-
Culture / recreation	460,275	-	-	-	-	-	-	-	-	460,275
Court-related	-	-	-	-	-	-	-	-	5,903	5,903
Debt service										
Principal	57,232	31,139	71,882	-	-	-	-	2,604,000	-	2,764,253
Interest	-	2,731	2,138	-	-	-	-	5,015	-	9,884
Total expenditures	<u>6,975,653</u>	<u>2,954,202</u>	<u>1,955,076</u>	<u>93,833</u>	<u>1,162,199</u>	<u>6,367,402</u>	<u>1,031,797</u>	<u>2,609,015</u>	<u>341,790</u>	<u>29,225,720</u>
Excess of revenues over (under) expenditures	<u>8,007,727</u>	<u>(1,276,064)</u>	<u>(352,888)</u>	<u>1,978,121</u>	<u>20,225</u>	<u>(6,281,855)</u>	<u>(208,875)</u>	<u>(2,608,817)</u>	<u>698,983</u>	<u>(1,719,223)</u>
OTHER FINANCING SOURCES (USES)										
Debt proceeds	-	387,000	348,116	-	-	-	-	-	-	735,116
Interfund transfers in	230,665	624,375	65,602	-	20,822	6,281,855	208,875	1,472,896	2,311,536	11,216,626
Interfund transfers out	(8,707,109)	-	(66,534)	(1,472,896)	(90,073)	-	-	-	(312,772)	(11,217,183)
Total other financing sources (uses)	<u>(8,476,444)</u>	<u>1,011,375</u>	<u>347,184</u>	<u>(1,472,896)</u>	<u>(69,251)</u>	<u>6,281,855</u>	<u>208,875</u>	<u>1,472,896</u>	<u>(567,799)</u>	<u>734,559</u>
Net change in fund balances	<u>(468,717)</u>	<u>(264,689)</u>	<u>(5,704)</u>	<u>505,225</u>	<u>(49,026)</u>	<u>-</u>	<u>-</u>	<u>(1,135,921)</u>	<u>131,184</u>	<u>(984,664)</u>
Fund balances beginning of year	<u>9,554,060</u>	<u>989,434</u>	<u>1,429,359</u>	<u>1,307,927</u>	<u>459,659</u>	<u>-</u>	<u>-</u>	<u>1,136,061</u>	<u>2,587,844</u>	<u>19,928,183</u>
Fund balances end of year	<u>\$ 9,085,343</u>	<u>\$ 724,745</u>	<u>\$ 1,423,655</u>	<u>\$ 1,813,152</u>	<u>\$ 410,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140</u>	<u>\$ 2,719,028</u>	<u>\$ 18,943,519</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

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

Net change in fund balances - total governmental funds	\$	(984,664)
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Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlay as expenditures.

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

Capital outlay	\$ 4,835,797	
Less current year depreciation	<u>(5,458,459)</u>	(622,662)

The net effect of dispositions of fixed assets		(118,615)
--	--	-----------

Repayments of debt principal are expenditures in the
governmental funds, but the repayment reduces long-term
liabilities in the statement of net position.

Proceeds of debt	(735,116)	
Payments for capital leases and notes	<u>2,764,253</u>	2,029,137

Some revenues (expenses) reported in the statement of activities do not
provide (require) the use of current financial resources, therefore, are
not reported as revenues (expenditures) in governmental funds.

Net change in deferred outflows (inflows) of resources	(1,291,153)	
Net change in compensated absences	(20,101)	
Net change in pension liability	<u>295,807</u>	<u>(1,015,447)</u>

Change in net position of governmental activities	\$	<u><u>(712,251)</u></u>
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See notes to financial statements.

TAYLOR COUNTY, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
September 30, 2018**

	Airport Enterprise
ASSETS	
Current assets:	
Cash	\$ 141,155
Inventories	28,774
Total current assets	<u>169,929</u>
Fixed assets:	
Equipment	151,564
Less: accumulated depreciation	<u>(62,760)</u>
Total fixed assets	<u>88,804</u>
Total assets	<u>258,733</u>
DEFERRED OUTFLOWS OF RESOURCES	
Share of pension plan deferred outflows	<u>8,884</u>
LIABILITIES	
Current liabilities	
Accounts payable	10,755
Accrued wages	339
Total current liabilities	<u>11,094</u>
Noncurrent liabilities	
Pension plan liability	<u>20,401</u>
Total liabilities	<u>31,495</u>
DEFERRED INFLOWS OF RESOURCES	
Share of pension plan deferred inflows	<u>2,702</u>
NET POSITION	
Invested in capital assets	88,804
Unrestricted	144,616
Total net position	<u>\$ 233,420</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2018

	<u>Airport Enterprise</u>
OPERATING REVENUES	
Transportation	
Airports	
Airport fuel sales	\$ 197,990
Interest	284
	<u>198,274</u>
OPERATING EXPENSES	
Airport fuel operations	
Personnel services	
Regular salaries	12,582
Employee benefits	11,333
Total personnel services	<u>23,915</u>
Operating expenses	
Communications	575
Contractual services	1,990
Utility services	1,734
Insurance	0
Repair and maintenance	4,143
Petroleum products	140,221
Supplies	46
Depreciation	284
Total operating expenses	<u>148,993</u>
Total operating expenses	<u>172,908</u>
Operating income before operating transfers	25,366
Operating transfers in	557
Net position, beginning of year	207,497
Net position, end of year	<u><u>\$ 233,420</u></u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended September 30, 2018

	<u>Airport Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 197,990
Cash payments to employees	(12,420)
Cash payments for employee benefits	(4,850)
Cash payments for suppliers	(176,449)
Interest income	284
Net cash provided by operating activities	<u>4,555</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	557
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(15,411)
Cash and cash equivalents, beginning of year	151,454
Cash and cash equivalents, end of year	<u><u>\$ 141,155</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	<u>\$ 25,366</u>
Adjustments to reconcile operating income to net cash used by operating activities	
Depreciation	284
FRS pension liability and deferred outflows and inflows	6,483
Changes in assets and liabilities	
(Increase) decrease in:	
Inventories	(17,093)
Increase (decrease) in:	
Accounts payable	(10,647)
Accrued wages	162
Total adjustments	<u>(20,811)</u>
Net cash provided by operating activities	<u><u>\$ 4,555</u></u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS
September 30, 2018

	Clerk of Courts			Property Appraiser	Sheriff			Tax Collector		
	General Trust	Registry of Court	Cash Bond	Trust	Individual Depository	Inmate Trust	Evidence Trust	Tax	Tag	Totals
ASSETS										
Cash	\$ 75,116	\$ 129,632	\$ 13,167	\$ -	\$ 9,311	\$ 17,943	\$ 3,509	\$ 372,951	\$ -	\$ 621,629
Accounts receivable	2,599	-	-	-	-	729	-	10,071	24,617	38,016
Due from other funds	-	-	-	-	-	-	-	12,661	-	12,661
Investments	114,377	-	-	-	-	-	-	-	-	114,377
Total assets	\$ 192,092	\$ 129,632	\$ 13,167	\$ -	\$ 9,311	\$ 18,672	\$ 3,509	\$ 395,683	\$ 24,617	\$ 786,683
LIABILITIES										
Due to individuals	\$ 82,507	\$ -	\$ -	\$ -	\$ -	\$ 9,444	\$ -	\$ -	\$ -	\$ 91,951
Due to other funds	104,561	-	-	-	5,110	-	-	86,063	12,661	208,395
Due to other governmental units	115	-	-	-	-	-	-	2,422	19	2,556
Cash bonds payable	-	-	13,167	-	-	-	-	-	-	13,167
Interest payable	-	-	-	-	-	-	3,509	-	-	3,509
Other current liabilities	-	-	-	-	-	9,228	-	10,387	4,168	23,783
Taxes and fees payable	-	-	-	-	-	-	-	282,740	-	282,740
Deposits payable	4,909	129,632	-	-	4,201	-	-	14,071	7,769	160,582
Total liabilities	192,092	129,632	13,167	-	9,311	18,672	3,509	395,683	24,617	786,683
NET POSITION										
Total net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

B. Measurement Focus and Basis of Accounting

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

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

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

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

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

3. Governmental Funds

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

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

financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

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

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

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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

4. Proprietary Funds

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

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

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

C. Basis of Presentation

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

1. Governmental Major Funds:

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

Hospital Sales Tax Fund - The Hospital Sales Tax Fund accounts for revenues generated by the local option one cent Small County Surtax which is utilized as provided by law.

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

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

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

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

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

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

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

2. Proprietary Major Fund:

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

Non-current Governmental Assets/Liabilities:

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

D. Assets, Liabilities and Net position or Equity

1. Cash and Cash Equivalents

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

For purposes of the statement of cash flows, the County considers all enterprise fund highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

2. Investments

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

3. Receivables and Payables

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

All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts. At September 30, 2018, there was no allowance for doubtful accounts.

4. Inventories

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

5. Restricted Assets

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

6. Capital Assets

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

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

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

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

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

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

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

7. Capitalization of Interest

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

8. Revenues Collected in Advance

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

9. Prepaid Items

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

10. Accrued Compensated Absences

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

11. Deferred Inflows (Outflows) of Resources

An acquisition of net assets by the County that is applicable to a future reporting period is required to be classified as a Deferred Inflow of Resources under Governmental Accounting Standards Board (GASB) Statement Number 65. The County reports deferred inflows and outflows of resources in compliance with GASB 68 that are related to its share of the the Florida State Pension System net pension liability,

12. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the “revenue reduction” approach in accounting to rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The County has no arbitrage liability outstanding as of September 30, 2018.

13. Landfill Closure Costs

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

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

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

“Total fund balances” of the County’s governmental funds (\$18,943,519) differs from “net position” of governmental activities (\$91,292,873) reported in the statement of net position. This difference primarily results from the long-term economical focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

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

Cost of capital assets	\$ 171,145,091
Accumulated depreciation	(86,753,199)
Total	<u>\$ 84,391,892</u>

Long-term debt transactions

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2018, were:

Capital leases and note payable	\$ 975,487
Compensated absences	685,693
Pension liability	14,894,506
Total	<u>\$ 16,555,686</u>

Deferred Outflow and Inflow of Resources

The net effect of deferred outflows and inflows of resources related to the County's payments in lieu of taxes and pension plan liability was \$4,513,158.

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$ 2,896,472 between governmental funds must be eliminated for the statement of net position.

TAYLOR COUNTY, FLORIDA

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

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Deferred Inflow s Outflow s	Reclassifications and Eliminations	Statement of Net Position
ASSETS						
Cash and cash equivalents	\$ 8,139,981	\$ -	\$ -	\$ -	\$ -	\$ 8,139,981
Accounts receivable - net	96,514	-	-	-	-	96,514
Due from other funds	3,092,206	-	-	-	(2,896,472)	195,734
Due from other governmental units	2,951,547	-	-	-	-	2,951,547
Inventories	268,703	-	-	-	-	268,703
Investments	9,039,269	-	-	-	-	9,039,269
Capital assets - net	-	84,391,882	-	-	-	84,391,882
Total assets	<u>23,588,220</u>	<u>84,391,882</u>	<u>-</u>	<u>-</u>	<u>(2,896,472)</u>	<u>105,083,630</u>
 DEFERRED OUTFLOW OF RESOURCES	 -	 -	 -	 6,486,053	 -	 6,486,053
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>23,588,220</u>	<u>84,391,882</u>	<u>-</u>	<u>6,486,053</u>	<u>(2,896,472)</u>	<u>111,569,683</u>
 LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	1,299,518	-	-	-	-	1,299,518
Accrued wages	73,530	-	-	-	-	73,530
Accrued payroll liabilities	1,121	-	-	-	-	1,121
Due to other funds	2,896,472	-	-	-	(2,896,472)	-
Due to other governmental units	284	-	-	-	-	284
Revenues collected in advance	366,906	-	-	-	-	366,906
Other current liabilities	6,870	-	-	-	-	6,870
Accrued compensated absences	-	-	685,693	-	-	685,693
Capital leases and notes payable	-	-	975,487	-	-	975,487
Pension liability	-	-	14,894,506	-	-	14,894,506
Total liabilities	<u>4,644,701</u>	<u>-</u>	<u>16,555,686</u>	<u>-</u>	<u>(2,896,472)</u>	<u>18,303,915</u>
 DEFERRED INFLOWS OF RESOURCES	 -	 -	 -	 1,972,895	 -	 1,972,895
Fund balances/net position	<u>18,943,519</u>	<u>84,391,882</u>	<u>(16,555,686)</u>	<u>4,513,158</u>	<u>-</u>	<u>91,292,873</u>
Total liabilities , deferred inflow s and net position	<u>\$ 23,588,220</u>	<u>\$ 84,391,882</u>	<u>\$ -</u>	<u>\$ 6,486,053</u>	<u>\$ (2,896,472)</u>	<u>\$ 111,569,683</u>

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

The “net change in fund balances” for governmental funds (\$984,664) differs from the “change in net position” for governmental activities (\$712,251) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

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

Capital outlay	\$ 4,835,797
Reclassifications /deletions	(118,615)
Depreciation expense	(5,458,459)
Difference	<u>\$ (741,277)</u>

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

Principal payments made	<u>\$ 2,764,253</u>
Debt proceeds	<u>\$ (735,116)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	<u>\$ (20,101)</u>
Net change in pension related liabilities	<u>\$ 295,807</u>
Deferred inflow of payment in lieu of taxes	<u>\$ (1,291,153)</u>

Reclassification and Eliminations

Transfers in and transfers out in the amount of \$ 11,216,626 between governmental activities should be eliminated.

TAYLOR COUNTY, FLORIDA

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

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

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Compensated Absences	Net Pension Liability Deferred Inflows/Outflows of Resources	Reclassifications and Eliminations	Statement of Activities
REVENUES							
Taxes	\$ 14,771,646	\$ -	\$ -	\$ -	\$ 50,504	\$ -	\$ 14,822,150
Licenses and permits	176,524	-	-	-	-	-	176,524
Intergovernmental	8,736,954	-	-	-	-	-	8,736,954
Charges for services	1,917,367	-	-	-	-	-	1,917,367
Fines and forfeitures	173,453	-	-	-	-	-	173,453
Special assessments	1,212,993	-	-	-	-	-	1,212,993
Interest	190,171	-	-	-	-	-	190,171
Miscellaneous	327,389	-	-	-	-	-	327,389
Total revenues	27,506,497	-	-	-	50,504	-	27,557,001
EXPENDITURES							
Current Expenditures							
General government	5,524,425	133,229	-	75,972	317,418	-	6,051,044
Public safety	8,882,504	749,714	-	(55,871)	597,203	-	10,173,550
Physical environment	1,466,417	121,622	-	-	30,106	-	1,618,145
Transportation	2,390,854	3,231,716	-	-	52,000	-	5,674,570
Economic environment	1,050,130	808	-	-	7,144	-	1,058,082
Human services	758,020	742,546	-	-	2,240	-	1,502,806
Culture/recreation	785,519	425,107	-	-	12,395	-	1,223,021
Court related	811,669	118,580	-	-	27,344	-	957,593
Capital outlay							
General government	586,585	(586,585)	-	-	-	-	-
Public safety	570,036	(570,036)	-	-	-	-	-
Physical environment	83,979	(83,979)	-	-	-	-	-
Transportation	3,075,267	(3,075,267)	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture/recreation	460,275	(460,275)	-	-	-	-	-
Court related	5,903	(5,903)	-	-	-	-	-
Debt Service							
Principal	2,764,253	-	(2,764,253)	-	-	-	-
Interest	9,884	-	-	-	-	-	9,884
Total expenditures	29,225,720	741,277	(2,764,253)	20,101	1,045,850	-	28,268,695
Excess of revenues over (under) expenditures	(1,719,223)	(741,277)	2,764,253	(20,101)	(995,346)	-	(711,694)
OTHER FINANCING SOURCES (USES)							
Debt proceeds	735,116	-	(735,116)	-	-	-	-
Transfers in	11,216,626	-	-	-	-	(11,216,626)	-
Transfers out	(11,217,183)	-	-	-	-	11,216,626	(557)
Total other financing sources (uses)	734,559	-	(735,116)	-	-	-	(557)
Net change in fund balance	(984,664)	(741,277)	2,029,137	(20,101)	(995,346)	-	(712,251)
Fund balances at beginning of year	19,928,183	85,133,159	(3,004,624)	\$ (665,592)	(9,386,002)	-	92,005,124
Fund balances at end of year	\$ 18,943,519	\$ 84,391,882	\$ (975,487)	\$ (685,693)	\$ (10,381,348)	\$ -	\$ 91,292,873

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Prior to July 15, the Clerk of the Circuit Court serving as Budget Officer submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Board of County Commissioners.
4. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.
5. Formal budgetary integration is employed as a management control device in all governmental funds.
6. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2018, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Fund budget is adopted on the accrual basis.
7. Legal control of the budget is exercised pursuant to applicable provisions of *Florida Statutes*.
8. Appropriations for the County lapse at the close of the fiscal year.
9. The following is a comparison of the appropriations to total expenses for the proprietary fund for the fiscal year ended September 30, 2018.

	<u>Appropriations</u>	<u>Expenses</u>	<u>Variance Positive</u>
Primary Government			
Enterprise Funds:			
Airport Enterprise	<u>\$ 271,057</u>	<u>\$ 148,993</u>	<u>\$ 122,064</u>

NOTE 4. CASH AND CASH EQUIVALENTS

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

A. Deposits

At September 30, 2018, the carrying amount of the County's bank deposits was \$8,902,765. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

B. Investments

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

Florida PRIME

The County's investment in Florida PRIME is administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Throughout the year and as of September 30, 2018, Florida PRIME contained certain floating rate and adjustable rate securities that were indexed based on the prime rate and/or one- and three-month LIBOR. These floating rate and adjustable rate securities are used to hedge against interest risk and provide diversification to the portfolio. Exposure to a single issuer is limited to 5% of the portfolio's amortized cost. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form.

At September 30, 2018, the County had \$6,013,093 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at <https://www.sbafla.com/prime/Audits/tabid/582Default.aspx>.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy to minimize interest rate risk is by structuring the investment portfolio so that the investments are readily convertible to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment on a deposit. The County does not hold foreign or foreign currency investments and therefore is not subject to foreign currency risk.

Credit Risk: The County also mitigates credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are held in the possession of an outside party. The County generally limits this risk by investing only in permitted investments.

Concentrations of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The implementation of GASB Statement No. 40 requires the disclosure of investments in any one issuer that represent 5% or more of total investments.

Credit Risk. Investments in the Florida State Board of Administration Pools (SBA) consist of the Local Government Surplus Funds Trust (Florida PRIME). The Florida PRIME is rated by Standard and Poors. The current rating is AAAM. The Investment Manager of the Florida PRIME manages credit risk by purchasing only high quality securities, performing a credit analysis to develop a database of issuers and securities that meet the Investment Manager's minimum standard and by regularly reviewing the portfolio's securities financial data, issuer news and developments, and ratings of the nationally recognized statistical rating organizations.

Fair Value Measurements

In February 2015, GASB issued GASB Statement No. 72. GASB 72 applicability related to the application of fair value is limited to assets and liabilities that are currently measured at fair value and certain investments that are not currently measured at fair value.

Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the participant account balance is considered the fair value of the investment. Florida PRIME investment is exempt from the GASB 72 fair value hierarchy disclosures.

As of September 30, 2018, the County's investment in the Florida PRIME investment pool is rated AAAM by Standard & Poors.

Investment Objective

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poors U.S. AAA & AA Rated GIP All 30 Day

Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in this Policy.

Interest Rate Risk

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2018, is 35 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2018, is 74 days.

Foreign Currency Risk

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

Securities Lending

Florida PRIME did not participate in a securities lending program in the period October 1, 2017 through September 30, 2018.

Fair Value Hierarchy

Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost; therefore, participant account balances should be also reported at amortized cost.

Florida Local Government Investment Trust Fund (Trust)

The Florida Local Government Investment Trust Fund (Trust) is a professionally managed fund available only to public entities in Florida. The investment policy of the trust restricts investments to direct obligations of or securities fully guaranteed by the United States; obligations of certain federal agencies, including collateralized mortgage obligations; repurchase agreements; corporate bonds; and commercial paper. As of September 30, 2018, the Trust had investments, at fair value, of approximately \$1.505 billion. Of the total investments in the Trust, 9.49% was invested in commercial paper, 13.35% was invested in government securities, 21.54% was invested in corporates, 15.70% was invested in U.S. Treasuries, 11.93% was invested in Repurchase Agreements, 4.08% was invested in Certificates of Deposit, .16% was invested in money market funds, 2.86% was invested in CMO's, 13.97% was invested in asset backed securities, .07% was invested in Agency ARM, 5.41% was invested in U.S. agency notes and 1.45% was invested in municipal bonds. The Florida Trust Day to Day Fund (the fund) had a net position of \$633 million and the Short Term Bond Fund had a net position balance of \$872 million. Investments in the Pool and Trust are reported at fair value based on the fair value per share of the underlying portfolio. The Day to Day Fund is a Fitch AAAmf rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity was 34 days as of September 30, 2018.

The Short Term Bond Fund is a fund with an investment portfolio structured to maintain safety of principal and maximize available yield through a balance of quality and diversification. This Fitch rated AA+/S1 Trust invests in securities with effective maturities of less than five years. The weighted average maturity for the portfolio is 1.51 years as of September 30, 2018.

As of September 30, 2018, the County had investments with the following issuers in the percentages of total investments and categories shown below:

Schedule of Investments at September 30, 2018

Investment	Maturities	Fair Value/ Carrying Amount
State Board of Administration Local Government		
Local Government Surplus Trust Fund Florida PRIME	74 Day Average	\$ 6,019,093
Florida Local Government Day to Day Fund	34 Day Average	3,134,553
Total Investments		<u>\$ 9,153,646</u>

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

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

NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2017-2018 fiscal year were levied in October 2017. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Deletions and Adjustments	Balance
<i>Governmental Activities:</i>				
Capital assets				
Land and improvements	\$ 23,671,029	\$ 258,930	\$ -	\$ 23,929,959
Construction in progress	5,100,556	688,335	-	5,788,891
Infrastructure	89,023,738	1,803,137	-	90,826,875
Buildings	28,436,149	609,188	-	29,045,337
Equipment	17,697,372	1,476,207	(177,720)	18,995,859
Sheriff equipment	2,560,058	-	(1,898)	2,558,160
Total capital assets	<u>166,488,902</u>	<u>4,835,797</u>	<u>(179,618)</u>	<u>171,145,081</u>
Less accumulated depreciation				
Board of County Commissioners	(79,792,530)	(4,983,576)	59,836	(84,716,270)
Sheriff	(1,563,213)	(474,883)	1,167	(2,036,929)
Total accumulated depreciation	<u>(81,355,743)</u>	<u>(5,458,459)</u>	<u>61,003</u>	<u>(86,753,199)</u>
Governmental activities capital assets, net	<u>\$ 85,133,159</u>	<u>\$ (622,662)</u>	<u>\$ (118,615)</u>	<u>\$ 84,391,882</u>
<i>Business type activities:</i>				
Equipment	\$ 136,154	\$ 15,410	\$ -	\$ 151,564
Less accumulated depreciation	(62,476)	(284)	-	(62,760)
Business activities capital assets, net	<u>\$ 73,678</u>	<u>\$ 15,126</u>	<u>\$ -</u>	<u>\$ 88,804</u>

Primary Government

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

Governmental activities:	
General Government	\$ 68,649
Public Safety	274,831
Physical Environment	121,622
Transportation	3,231,716
Economic Environment	808
Human Services	742,546
Culture/Recreation	425,107
Court-related and other	118,580
Sheriff	474,883
Total depreciation expense-governmental activities	<u>\$ 5,458,743</u>
Business-type activities	
Airport Enterprise	\$ 284
Total depreciation expense business-type activities	<u>\$ 284</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

Balances at September 30, 2018, were:

<u>FUND</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 2,171,670	\$ 57,639
Hospital Debt Service	-	28,170
Municipal Services Benefit Unit	-	61,561
Municipal Services Taxing Unit	33,363	43,669
Road and Bridge	596,775	578,338
Secondary Road Projects	56,860	567,799
Small County Road Assistance	-	60,765
Small County Outreach Project	-	895,855
Solid Waste	7,281	1,802
Community Development Block Grant	-	28,704
Clerk Public Records Modernization Trust	104,561	-
Clerk Operating.	-	47,680
Clerk Trust	-	104,561
Property Appraiser Operating	-	385
Sheriff Emergency Management	-	40,269
Sheriff Individual Depository	-	5,110
Sheriff Operating	40,269	199,040
Supervisor Operating	-	1,166
Tax Collector Operating	-	89,726
Tax Collector Tag	-	12,661
Tax Collector Tax	12,661	86,063
Tourism Development Trust	30,128	-
Tourism Tax Infrastructure	8,143	18,110
Tourism Tax 4th and 5th Cent	43,156	175,794
Total	<u>\$ 3,104,867</u>	<u>\$ 3,104,867</u>

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

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2018, consisted of the following:

Transfers from General Fund to:	
Airport Enterprise Fund	\$ 557
Airport Fund	836
Solid Waste Landfill	13,915
Landfill Fund	946
Municipal Services Benefit Unit Fund	22,865
Municipal Services Taxing Unit Fund	65,602
Road and Bridge Fund	56,576
Clerk Operating Fund	898,520
Property Appraiser Operating Fund	731,512
Sheriff Operating Fund	6,217,946
Sheriff 911 Coordinator	63,908
Supervisor Operating Fund	562,204
Tax Collector Operating Fund	71,722
Transfers from Secondary Road Project to:	
Road and Bridge Fund	567,799
Transfers from Municipal Services Taxing Unit Fund to:	
General Fund	36,763
Solid Waste Fund	6,906
Tax Collector Operating Fund	22,865
Transfers from Municipal Services Taxing Unit Fund to:	
Tax Collector Operating Fund	1,350
Transfers from Hospital Sales Tax Revenue Fund to:	
Hospital Debt Service	1,472,896
Transfers from Solid Waste Fund to :	
Tax Collector Operating Fund	90,073
Transfer from Local Housing Fund	
Interfund Transfer within the Local Housing Funds	117,518
Transfer from Tourist Development 4th and 5th Cent to:	
General Fund	175,794
Transfers from Tourist Tax Infrastructure to:	
General Fund	18,110
Total transfers	<u><u>\$ 11,217,183</u></u>

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

NOTE 9. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2018, were as follows:

	Accounts Receivable	Due from Other Governments	Total Receivables
Governmental Activities:			
General	\$ 19,213	\$ 960,864	\$ 980,077
Road and Bridge	15	\$ 152,457	\$ 152,472
Hospital Sales Tax	-	204,880	204,880
Municipal Services Taxing Unit	2,873	37,823	40,696
Solid Waste	2,923	50	2,973
Secondary Road Projects	-	84,785	84,785
Sheriff Operating	1,967	-	1,967
Other governmental	69,523	1,510,688	1,580,211
Total governmental activities	<u>\$ 96,514</u>	<u>\$ 2,951,547</u>	<u>\$ 3,048,061</u>
Business-type Activities:			
Airport Enterprise	\$ -	\$ -	\$ -
Total business-type activities	<u>\$ 96,514</u>	<u>\$ 2,951,547</u>	<u>\$ 3,048,061</u>

Payables

Payables at September 30, 2018, were as follows:

	Vendors	Accrued Wages and Benefits	Total
Governmental Activities:			
General	\$ 241,865	\$ 26,108	\$ 267,973
Hospital Sales Tax	27,165	-	27,165
Municipal Services	13,372	19,374	32,746
Road and Bridge	112,134	18,337	130,471
Secondary Road Projects	88,987	-	88,987
Solid Waste	55,762	9,876	65,638
Sheriff Operating	5,219	-	5,219
Other governmental	755,015	956	755,971
Total governmental activities	<u>\$ 1,299,519</u>	<u>\$ 74,651</u>	<u>\$ 1,374,170</u>
Business-type Activities:			
Airport Enterprise	\$ 10,755	\$ 339	\$ 11,094
Total business-type activities	<u>\$ 10,755</u>	<u>\$ 339</u>	<u>\$ 11,094</u>

NOTE 10. CAPITAL LEASES

A. Capital Lease Dominion Voting Systems, Inc.

The Board entered into a lease with Dominion Voting Systems, Inc. on June 6, 2016. The lease in the amount of \$457,856 was used to voting equipment and related software and support. The lease is being paid in annual payments of \$57,232 over eight years without interest beginning December, 2017.

B. Capital Lease Beard Equipment Company

The Board entered into an agreement with Beard Equipment Company on March 26, 2018 for the lease purchase of two motor graders. The lease in the amount of \$387,000 is being paid in thirty-six monthly installments of \$11,290 including interest at 2.98%.

C. Capital Lease City National Capital Finance, Inc.

The Board entered into a lease purchase agreement with Capital Lease National Capital Finance, Inc. for the purchase of a fire truck. The lease in the amount of \$400,624 is being paid in six annual installments of \$74,020 including interest at 2.83%.

NOTE 11. LONG-TERM LIABILITIES

A. Governmental Activities

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

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

B. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Balance at 10/1/2017	Additions	Deletions	Balance at 9/30/2018	Due Within One Year
Governmental Activities:					
Sales Tax Revenue Refunding Note Series 2015					
\$5.856 million note payable, due in annual installments ranging from \$1,164,338 due October 2016 to \$1,161,356 due October 2020; including interest at 1.34%, collateralized by pledging Small County Surtax (Sales Tax) Revenues.	\$ 2,604,000	\$ -	\$ 2,604,000	\$ -	\$ -
Capital Lease - Dominion Voting Systems	400,624	-	57,232	343,392	57,232
Capital Lease - City National Capital Finance, Inc.	-	348,116	71,882	276,234	66,191
Capital Lease - Beard Equipment Company	-	387,000	31,139	355,861	126,837
Other liabilities :					
Compensated Absences payable	665,592	20,101	-	685,693	102,854
County's proportionate share of FRS pension liability	15,190,313	-	295,807	14,894,506	3,083,163
	<u>\$ 18,860,529</u>	<u>\$ 755,217</u>	<u>\$ 3,060,060</u>	<u>\$ 16,555,686</u>	<u>\$ 3,436,277</u>

NOTE 12. RETIREMENT PLANS

Florida Retirement System:

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

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

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

Pension Plan

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

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

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

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

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

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular—7.92% and 8.26%; Special Risk Administrative Support—34.63% and 34.98%; Special Risk—23.27% and 24.50%; Senior Management Service—22.77% and 24.06%; Elected Officers—45.50% and 48.70%; and DROP participants—13.26% and 14.03%. These employer contribution rates include a 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively.

The County's contributions, including employee contributions, to the Pension Plan totaled \$1,289,477 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the County reported a liability of \$12,139,745 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of July 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was .0403 percent, which was a decrease of .0015 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$2,147,742. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,028,419	\$ (37,327)
Changes in assumptions	3,966,678	-
Net difference between projected and actual earnings on Pension Plan investments	-	(937,943)
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	656,898	(626,349)
County Pension Plan contributions subsequent to the measurement date	323,070	-
Total	<u>\$ 5,975,065</u>	<u>\$ (1,601,619)</u>

The deferred outflows of resources related to the Pension Plan, totaling \$323,070 resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	
2019	\$ 1,569,286
2020	1,070,973
2021	149,325
2022	713,127
2023	476,839
Thereafter	70,826
	<u>\$ 4,050,376</u>

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.90%	2.90%	1.80%
Fixed income	18.00%	4.40%	4.30%	4.20%
Global equity	54.00%	7.60%	6.30%	17.00%
Real estate	11.00%	6.60%	6.00%	11.30%
Private equity	10.00%	10.70%	7.80%	26.50%
Strategic investments	6.00%	6.00%	57.00%	8.60%
Total	100.00%			
Assumed Inflation - mean			2.60%	1.90%

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

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 22,155,543	\$ 12,139,745	\$ 3,821,032

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

Payables to the Pension Plan - At September 30, 2018, the County reported a payable in the amount of \$60 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2018.

HIS Plan

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

Benefits Provided – For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018 was 1.66% and 1.66%, respectively. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled \$159,628 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2018, the County reported a liability of \$2,775,161 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The County's proportionate share of the net pension liability was based on the County's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was .02622 percent, which was a decrease of .0018815 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$218,379. In addition the County reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 42,486	\$ (4,715)
Changes in assumptions	308,632	(293,413)
Net difference between projected and actual earnings on HIS Plan investments	1,675	-
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	130,075	(75,850)
County HIS Plan contributions subsequent to the measurement date	37,004	-
Total	<u>\$ 519,872</u>	<u>\$ (373,978)</u>

The deferred outflows of resources related to the HIS Plan, totaling \$37,004 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30		
2019	\$	76,050
2020		75,770
2021		53,082
2022		11,922
2023		(74,006)
Thereafter		(33,928)
	\$	<u>108,890</u>

Actuarial Assumptions – The total pension liability in the July 1, 2018, based upon an actuarial valuation on July 1, 2018, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87 %

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

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
County's proportionate share of the net pension liability	\$ 3,160,746	\$ 2,775,161	\$ 2,453,754

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

Payables to the Pension Plan - At September 30, 2018, the County reported a payable in the amount of \$7 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

Investment Plan

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

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2017-18 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 3.30%, Special Risk Administrative Support class 4.95%, Special Risk class 11.00%, Senior Management Service class 4.67% and County Elected Officers class 8.34%.

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

placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

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

The County's had no pension expense for the Investment Plan for the fiscal year ended September 30, 2018.

NOTE 13. FUND BALANCES GOVERNMENTAL FUNDS

As of September 30, 2018, fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then

assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions. The County does not have a formal fund balance policy.

The following schedule shows the restricted and assigned fund balances at September 30, 2018.

General Fund:	Restricted	Assigned
State Aid to Libraries Reserve	\$ 30,111	\$ -
Mosquito Control Reserve	619	-
Emergency 911 Reserve	44,144	-
Sheriff's Designated Reserves	96,582	-
Traffic Surcharge Reserve	3,922	-
Court Related Reserves	-	226,952
Heritage Pavilion	-	10,616
Tax Deed Excess Bid Reserve	-	-
911 Wireless Supplemental	141,366	-
911 Wireless /State	66,449	-
Sports Complex Donations Reserve	-	8,469
Sports Complex	-	35,319
Boat Ramp Reserve	-	229,001
Jail Maintenance Fund	-	114,312
Steinhatchee Donation Reserve	-	1,661
Traffic and SHIP Education	44,302	-
Tropical Storm Hermine	-	654,803
Total	\$ 427,495	\$ 1,281,133
Special Revenue Funds:		
Solid Waste Fund	\$ -	\$ 410,633
Municipal Services Taxing Unit		1,423,655
Road and Bridge Fund - Transportation	456,042	-
Hospital Sales Tax Fund		
Hospital related debt service and capital expenditures	-	1,813,152
Total	\$ 456,042	\$ 3,647,440
Debt Service Fund:		
Sales Tax Revenue Bonds	\$ -	\$ 140
Capital Projects Funds:		
Secondary Road projects	\$ 2,719,028	\$ -
Other Governmental Funds:		
	\$ 1,748,657	\$ 1,018,166
Total	\$ 5,351,222	\$ 5,946,879

NOTE 14. CONTINGENT LIABILITIES

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

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

NOTE 15. USE OF ESTIMATES

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

NOTE 16. RISK MANAGEMENT

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

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

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

NOTE 17. CONSTRUCTION COMMITMENTS

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

NOTE 18. JOINT VENTURES - AUCILLA AREA SOLID WASTE ADMINISTRATION

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

<u>County</u>	<u>Share</u>
Dixie	16.7%
Jefferson	22.1%
Madison	28.1%
Taylor	33.1%

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

The County's share in Aucilla Area Solid Waste Administration's assets, liabilities and equity as of September 30, 2018, is as follows:

Assets	\$ 7,471,571
Deferred Outflows of Resources	35,107
Liabilities	(2,318,877)
Deferred Inflows of Resources	(10,280)
Net Position	<u>\$ 5,177,521</u>

During the fiscal year, the County paid dumping fees of \$ 300,185 to Aucilla Area Solid Waste Administration and as of September 30, 2018, owed the landfill \$ 49,749. Financial information including separately issued financial statements concerning this joint venture can be obtained from the Aucilla Area Solid Waste Administration.

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

NOTE 19. OTHER POST-EMPLOYMENT BENEFITS PLAN (OPEB)

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

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

NOTE 20. FUND BALANCE DEFICIT

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

Fund	Deficit
Community Development Block Grant	\$ (50,931)
Small County Road Assistance Project	(47,400)

The County will fund these deficits in the ensuing year by a transfer in of funds or revenues.

NOTE 21. LEASES

The County has various leases for office equipment with noncancellable terms. The following is a schedule of commitments under these leases:

Fiscal Year Endings	
2019	\$ 14,503
2020	8,723
2021	5,020
2022	1,791
2023	300
	<u>\$ 30,337</u>

NOTE 22. STATE LOCAL HOUSING ASSISTANCE PROGRAM

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

TAYLOR COUNTY, FLORIDA COMBINING STATEMENT OF SHIP FUNDS BY PROGRAM YEAR For the Fiscal Year Ended September 30, 2018

	SHIP Program Year Ended								
	2009	2012	2013	2014	2015	2016	2017	2018	Total
REVENUES									
Intergovernmental revenue	\$ -	\$ -	\$ 17,935	\$ 25,849	\$ 13,190	\$ 789	\$ 44,135	\$ 350,000	\$ 451,898
Interest	35	87	79	60	32	61	633	298	1,285
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	35	87	18,014	25,909	13,222	850	44,768	350,298	453,183
EXPENDITURES									
Current Expenditures									
Economic environment	424	21,260	-	-	10	850	44,768	181,142	248,454
Total expenditures	424	21,260	-	-	10	850	44,768	181,142	248,454
Excess of revenues over (under) expenditures	(389)	(21,173)	18,014	25,909	13,212	-	-	169,156	204,729
OTHER FINANCING SOURCES (USES)									
Interfund transfers in	-	-	-	-	-	-	-	117,518	117,518
Interfund transfers out	(14,382)	(27,954)	(34,812)	(26,562)	(13,808)	-	-	-	(117,518)
Total other financing sources (uses)	(14,382)	(27,954)	(34,812)	(26,562)	(13,808)	-	-	117,518	-
Net change in fund balances	(14,771)	(49,127)	(16,798)	(653)	(596)	-	-	286,674	204,729
Fund balances beginning of year	14,771	49,127	16,798	653	596	106	487	-	82,538
Fund balances end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106	\$ 487	\$ 286,674	\$ 287,267

REQUIRED SUPPLEMENTARY INFORMATION

**TAYLOR COUNTY, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 10,287,472	\$ 10,287,472	\$ 10,035,469	\$ (252,003)
Intergovernmental	4,861,199	4,861,199	4,244,921	(616,278)
Charges for services	274,300	274,300	316,403	42,103
Fines and forfeitures	10,000	10,000	12,567	2,567
Miscellaneous	238,500	238,500	135,843	(102,657)
Special assessments	-	-	125,798	125,798
Interest	25,000	25,000	112,379	87,379
Total revenues	<u>15,696,471</u>	<u>15,696,471</u>	<u>14,983,380</u>	<u>(713,091)</u>
EXPENDITURES				
Current expenditures				
General government	2,110,837	2,322,128	1,924,451	397,677
Public safety	1,944,401	2,235,230	1,329,865	905,365
Physical environment	508,766	541,789	238,974	302,815
Transportation	162,905	175,936	-	175,936
Economic environment	195,714	196,275	606,176	(409,901)
Human services	765,448	776,015	571,674	204,341
Culture / recreation	814,011	1,720,510	733,938	986,572
Court-related	365,077	530,680	149,353	381,327
Capital outlay				
General government	19,500	18,900	155,436	(136,536)
Public safety	264,994	269,923	510,034	(240,111)
Physical environment	28,000	28,000	26,875	1,125
Transportation	50,000	195,000	211,370	(16,370)
Culture / recreation	627,428	829,122	460,275	368,847
Debt service				
Principal	57,232	57,232	57,232	-
Total expenditures	<u>7,914,313</u>	<u>9,896,740</u>	<u>6,975,653</u>	<u>2,921,087</u>
Excess of revenues over expenditures	<u>7,782,158</u>	<u>5,799,731</u>	<u>8,007,727</u>	<u>2,207,996</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	300,000	300,000	230,665	(69,335)
Interfund transfers out	(8,757,597)	(9,081,890)	(8,707,109)	374,781
Total other financing sources (uses)	<u>(8,457,597)</u>	<u>(8,781,890)</u>	<u>(8,476,444)</u>	<u>305,446</u>
Net change in fund balance	<u>(675,439)</u>	<u>(2,982,159)</u>	<u>(468,717)</u>	<u>2,513,442</u>
Fund balance at beginning of year	9,554,060	9,554,060	9,554,060	-
Fund balance at end of year	<u>\$ 8,878,621</u>	<u>\$ 6,571,901</u>	<u>\$ 9,085,343</u>	<u>\$ 2,513,442</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
ROAD AND BRIDGE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 769,000	\$ 769,000	\$ 830,583	\$ 61,583
Licenses and permits	200	200	260	60
Intergovernmental	798,000	798,000	825,863	27,863
Miscellaneous	10,000	10,000	15,808	5,808
Interest	1,000	1,000	5,624	4,624
Total revenues	<u>1,578,200</u>	<u>1,578,200</u>	<u>1,678,138</u>	<u>99,938</u>
EXPENDITURES				
Current expenditures				
Physical Environment	1,473	-	1,473	(1,473)
Transportation	2,514,859	2,501,378	2,028,344	473,034
Capital outlay				
Transportation	464,500	569,741	890,515	(320,774)
Debt service				
Principal	58,560	-	31,139	(31,139)
Interest	-	-	2,731	(2,731)
Total expenditures	<u>3,039,392</u>	<u>3,071,119</u>	<u>2,954,202</u>	<u>116,917</u>
Excess of revenues over expenditures	<u>(1,461,192)</u>	<u>(1,492,919)</u>	<u>(1,276,064)</u>	<u>216,855</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	387,000	387,000
Interfund transfers in	842,919	842,919	624,375	(218,544)
Total other financing sources (uses)	<u>842,919</u>	<u>842,919</u>	<u>1,011,375</u>	<u>168,456</u>
Net change in fund balance	<u>(618,273)</u>	<u>(650,000)</u>	<u>(264,689)</u>	<u>385,311</u>
Fund balance at beginning of year	989,434	989,434	989,434	-
Fund balance at end of year	<u>\$ 371,161</u>	<u>\$ 339,434</u>	<u>\$ 724,745</u>	<u>\$ 385,311</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
MUNICIPAL SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	1,344,783	1,344,783	\$ 1,325,362	\$ (19,421)
Licenses and permits	166,500	166,500	176,264	9,764
Intergovernmental	65,444	65,444	58,182	(7,262)
Charges for services	7,400	7,400	3,160	(4,240)
Miscellaneous	29,740	29,740	27,552	(2,188)
Interest	2,500	2,500	11,668	9,168
Total revenues	<u>1,616,367</u>	<u>1,616,367</u>	<u>1,602,188</u>	<u>(14,179)</u>
EXPENDITURES				
Current expenditures				
General government	209,907	191,264	206,009	(14,745)
Public safety	1,244,494	1,302,458	1,088,982	213,476
Human services	175,110	186,378	186,346	32
Capital outlay				
General government	1,500	-	348,116	(348,116)
Public safety	-	51,604	51,603	1
Debt service				
Principal	75,000	75,000	71,882	3,118
Interest	-	-	2,138	(2,138)
Total expenditures	<u>1,706,011</u>	<u>1,806,704</u>	<u>1,955,076</u>	<u>(148,372)</u>
Excess of revenues over expenditures	<u>(89,644)</u>	<u>(190,337)</u>	<u>(352,888)</u>	<u>(162,551)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	348,116	348,116
Interfund transfers in	92,457	92,457	65,602	(26,855)
Interfund transfers out	<u>(80,865)</u>	<u>(80,865)</u>	<u>(66,534)</u>	<u>14,331</u>
Total other financing sources (uses)	<u>11,592</u>	<u>11,592</u>	<u>347,184</u>	<u>335,592</u>
Net change in fund balance	<u>(78,052)</u>	<u>(178,745)</u>	<u>(5,704)</u>	<u>173,041</u>
Fund balance at beginning of year	1,429,359	1,429,359	1,429,359	-
Fund balance at end of year	<u>\$ 1,351,307</u>	<u>\$ 1,250,614</u>	<u>\$ 1,423,655</u>	<u>\$ 173,041</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

HOSPITAL SALES TAX FUND

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

For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 1,610,000	\$ 1,610,000	\$ 2,069,666	\$ 459,666
Interest	-	-	2,288	2,288
Total revenues	<u>1,610,000</u>	<u>1,610,000</u>	<u>2,071,954</u>	<u>461,954</u>
EXPENDITURES				
Current expenditures				
General government	<u>349,900</u>	<u>293,919</u>	<u>93,833</u>	<u>200,086</u>
Total expenditures	<u>349,900</u>	<u>293,919</u>	<u>93,833</u>	<u>200,086</u>
Excess of revenues over expenditures	<u>1,260,100</u>	<u>1,316,081</u>	<u>1,978,121</u>	<u>662,040</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	<u>(1,475,100)</u>	<u>(1,475,100)</u>	<u>(1,472,896)</u>	<u>2,204</u>
Total other financing sources (uses)	<u>(1,475,100)</u>	<u>(1,475,100)</u>	<u>(1,472,896)</u>	<u>2,204</u>
Net change in fund balance	<u>(215,000)</u>	<u>(159,019)</u>	<u>505,225</u>	<u>664,244</u>
Fund balance at beginning of year	<u>1,307,927</u>	<u>1,307,927</u>	<u>1,307,927</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,092,927</u>	<u>\$ 1,148,908</u>	<u>\$ 1,813,152</u>	<u>\$ 664,244</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
SOLID WASTE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 15,000	\$ 15,000	\$ 17,359	\$ 2,359
Intergovernmental	23,349	23,349	12,026	(11,323)
Miscellaneous	66,000	66,000	112,112	46,112
Special assessments	1,075,000	1,075,000	1,038,002	(36,998)
Interest	1,000	1,000	2,925	1,925
Total revenues	1,180,349	1,180,349	1,182,424	2,075
EXPENDITURES				
Current expenditures				
Physical environment	1,325,276	1,349,067	1,105,095	243,972
Capital outly				
Physical environment	92,000	92,000	57,104	34,896
Total expenditures	1,417,276	1,441,067	1,162,199	278,868
Excess of revenues over expenditures	(236,927)	(260,718)	20,225	280,943
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	23,915	23,915	20,822	(3,093)
Interfund transfers out	(90,073)	(90,073)	(90,073)	-
Total other financing sources (uses)	(66,158)	(66,158)	(69,251)	(3,093)
Net change in fund balance	(303,085)	(326,876)	(49,026)	277,850
Fund balance at beginning of year	459,659	459,659	459,659	-
Fund balance at end of year	\$ 156,574	\$ 132,783	\$ 410,633	\$ 277,850

See notes to financial statements.

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

For the Fiscal Year Ended September 30, 2018

	Operating Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for services	\$ -	\$ -	\$ 84,011	\$ 84,011
Miscellaneous	-	-	1,536	1,536
Total revenues	-	-	85,547	85,547
EXPENDITURES				
Public Safety				
Law enforcement				
Personnel services	3,712,981	3,712,981	3,414,825	298,156
Operating expenses	470,451	470,451	501,566	(31,115)
Capital outlay	405,100	405,100	-	405,100
Total law enforcement	4,588,532	4,588,532	3,916,391	672,141
Detention and correction				
Personnel services	2,342,120	2,342,120	1,967,975	374,145
Operating expenses	477,520	477,520	483,036	(5,516)
Capital outlay	103,200	103,200	-	103,200
Total detention and correction	2,922,840	2,922,840	2,451,011	471,829
Total expenditures	7,511,372	7,511,372	6,367,402	1,143,970
Excess of revenues over (under) expenditures	(7,511,372)	(7,511,372)	(6,281,855)	1,229,517
OTHER FINANCING SOURCES				
Transfers from Board of County Commissioners	7,511,372	7,511,372	6,281,855	(1,229,517)
Total other financing sources	7,511,372	7,511,372	6,281,855	(1,229,517)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See notes to financial statements

TAYLOR COUNTY, FLORIDA

TAX COLLECTOR

OPERATING FUND

STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2018

	Operating Fund			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
REVENUES				
Charges for services	\$ 772,881	\$ 778,917	821,009	\$ 42,092
Miscellaneous	-	-	1,913	1,913
Total revenues	<u>772,881</u>	<u>778,917</u>	<u>822,922</u>	<u>44,005</u>
EXPENDITURES				
General government				
Current expenditures	1,056,495	1,062,531	1,031,797	30,734
Total expenditures	<u>1,056,495</u>	<u>1,062,531</u>	<u>1,031,797</u>	<u>30,734</u>
Excess of revenues over (under) expenditures	<u>(283,614)</u>	<u>(283,614)</u>	<u>(208,875)</u>	<u>74,739</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	283,614	283,614	208,875	(74,739)
Total other financing sources (uses)	<u>283,614</u>	<u>283,614</u>	<u>208,875</u>	<u>(74,739)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

TAYLOR COUNTY, FLORIDA

HOSPITAL DEBT SERVICE FUND

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

For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Interest	\$ -	\$ -	\$ 198	\$ 198
EXPENDITURES				
Debt service				
Principal	2,604,000	2,604,000	2,604,000	-
Interest	5,100	5,100	5,015	85
Total expenditures	2,609,100	2,609,100	2,609,015	85
Excess of revenues over expenditures	(2,609,100)	(2,609,100)	(2,608,817)	283
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	1,475,100	1,475,100	1,472,896	(2,204)
Total other financing sources (uses)	1,475,100	1,475,100	1,472,896	(2,204)
Net change in fund balance	(1,134,000)	(1,134,000)	(1,135,921)	(1,921)
Fund balance at beginning of year	1,136,061	1,136,061	1,136,061	-
Fund balance at end of year	\$ 2,061	\$ 2,061	\$ 140	\$ (1,921)

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

SECONDARY ROAD PROJECTS FUND

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

For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 960,000	\$ 960,000	\$ 995,368	\$ 35,368
Interest	-	-	45,405	45,405
Total revenues	960,000	960,000	1,040,773	80,773
EXPENDITURES				
Transportation				
Current expenditures	100,000	275,000	272,196	2,804
Capital outlay	2,050,532	2,448,032	69,594	2,378,438
Total expenditures	2,150,532	2,723,032	341,790	2,381,242
Excess of revenues over expenditures	(1,190,532)	(1,763,032)	698,983	2,462,015
OTHER FINANCING SOURCES (USES)				
Interfund transfers in	20,292	20,292	-	(20,292)
Interfund transfers out	(765,260)	(765,260)	(567,799)	197,461
Total other financing sources (uses)	(744,968)	(744,968)	(567,799)	177,169
Net change in fund balance	(1,935,500)	(2,508,000)	131,184	2,639,184
Fund balance at beginning of year	2,587,844	2,587,844	2,587,844	-
Fund balance at end of year	\$ 652,344	\$ 79,844	\$ 2,719,028	\$ 2,639,184

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

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

FLORIDA RETIREMENT SYSTEM

LAST FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability					
Retirement	0.0403%	0.0419%	0.0425%	0.0397%	.0387%
Health insurance subsidy	0.0262%	0.0528%	0.0261%	0.0254%	.0248%
 County's proportionate share of the net pension liability					
Retirement	\$ 12,139,745	\$ 12,379,213	\$ 10,720,397	\$ 5,131,091	\$ 2,322,814
Health insurance subsidy	2,775,161	2,823,688	3,043,175	2,585,580	2,320,521
Total	<u>\$ 14,914,906</u>	<u>\$ 15,202,901</u>	<u>\$ 13,763,572</u>	<u>\$ 7,716,671</u>	<u>\$ 4,643,335</u>
 County's covered payroll	 \$ 8,776,479	 \$ 8,694,243	 \$ 8,413,619	 \$ 8,093,506	 \$ 7,749,485
 County's proportionate share of the net pension liability as a percentage of its covered employee payroll	 169.94%	 174.86%	 163.59%	 95.34%	 59.92%
 Plan fiduciary net position as a percentage of the total pension liability	 84.26%	 83.89%	 84.88%	 92.00%	 96.09%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions					
Pension plan	\$ 1,289,477	\$ 1,202,635	\$ 1,165,852	\$ 1,093,298	\$ 979,174
Health insurance subsidy	159,628	154,275	133,838	177,844	99,829
	<u>\$ 1,449,105</u>	<u>\$ 1,356,910</u>	<u>\$ 1,299,690</u>	<u>\$ 1,271,142</u>	<u>\$ 1,079,003</u>
Contributions in relation to the contractually required contributions	\$ 1,449,105	\$ 1,356,910	\$ 1,299,690	\$ 1,271,142	\$ 1,079,003
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered employee payroll	\$ 8,776,479	\$ 8,694,243	\$ 8,413,619	\$ 8,093,506	\$ 7,749,584
Contributions as a percentage of covered employee payroll	16.51%	15.61%	15.45%	15.71%	13.92%

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

TAYLOR COUNTY, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended September 30, 2018

A. Budgetary Information:

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

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

1. Prior to September 30, the Clerk of the Circuit Court, serving as Budget Officer submits to the Board of County Commissioners a tentative budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Board of County Commissioners.
4. The Constitutional Officers submit, at various times, to the Board and to certain divisions within the Department of Revenue, State of Florida, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them, as set forth in chapter 129 of Florida Statutes.
5. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and the Property Appraiser, which are classified as separate special revenue funds.
6. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund, or appropriate for special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.
7. Formal budgetary integration is employed as a management control device in all governmental funds.
8. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2018, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Fund budget is adopted on the accrual basis except that depreciation is not budgeted.
9. Legal control of the budget is exercised pursuant to applicable provisions of Florida Statutes.
10. Appropriations for the County lapse at the close of the fiscal year.

TAYLOR COUNTY, FLORIDA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended September 30, 2018

B. Pension Plan:

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2018, are shown below (in thousands):

	FRS	HIS
Total Pension Liability	\$ 191,317,399	\$ 10,816,576
Plan Fiduciary Net Position	(161,196,881)	(232,463)
Net Pension Liability	<u>\$ 30,120,518</u>	<u>\$ 10,584,113</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.26%	2.15%
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The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2018. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2018. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the System's fiscal years ending June 30, 2014, 2015, 2016, 2017 and 2018 respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2018, in addition to contributions from employers the required accrued contributions for the Division (paid on behalf of the Division's employees who administer the Plans) were allocated to each employer on a proportionate basis. The Division administers the Plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable for that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflow of resources and associated pension expense.

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

Actuarial Methods and Assumptions

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

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both Plans is assumed at 2.60%. Payroll growth, including inflation, for both Plans is assumed at 3.25%. The discount rate used for the FRS Pension Plan is 7.00% and the long-term expected rate of return used for FRS Pension Plan investments is 7.00%.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – See Additional Financial and Actuarial Information).

The following changes in actuarial assumptions occurred in 2018:

- FRS: The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return decreased from 7.10% in 2017 to 7.00% for 2018.
- HIS: The municipal bonds rate used to determine total pension liability was increased from 3.58% to 3.87%.

COMBINING STATEMENTS

**TAYLOR COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2018**

Special Revenue Funds

	Clerk of the Circuit Court						Property Appraiser	Sheriff						Supervisor of Elections
	Clerk Operating	Clerk Court	Clerk CSE Incentive	Clerk CSE Reimbursemen	Public Records Modernization	Teen Court	Operating	Drug Task Force Grant	Inmate Welfare	Emergency Management	Local Law Enforcement Block Grant	Nongrant Forfeiture	Special Law Enforcement Trust	Supervisor Operating
ASSETS														
Current assets														
Cash	99,164	\$ 114,177	\$ 17,068	\$ 215,453	\$ 87,925	\$ 35,723	\$ 385	\$ 4,279	\$ 57,721	\$ 2,421	\$ 3,039	3,420	\$ 5,616	\$ 75,669
Accounts receivable	-	-	-	-	-	-	-	-	8,797	-	-	-	-	-
Due from other funds	-	-	-	-	104,561	-	-	-	-	-	-	-	-	-
Due from other governmental units	-	-	-	6,915	-	-	-	2,165	-	45,139	-	645	-	-
Investments	-	-	-	389,921	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 99,164	\$ 114,177	\$ 17,068	\$ 612,289	\$ 192,486	\$ 35,723	\$ 385	\$ 6,444	\$ 66,518	\$ 47,560	\$ 3,039	\$ 4,065	\$ 5,616	\$ 75,669
LIABILITIES AND FUND BALANCES														
LIABILITIES														
Current liabilities														
Accounts payable	\$ 51,284	\$ 1,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	47,680	-	-	-	-	-	385	-	-	40,269	-	-	-	1,166
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-	-	-	-	-	-	-	-	-	69,733
Other current liabilities	200	-	-	-	-	-	-	-	-	-	-	-	-	4,770
Total liabilities	99,164	1,695	-	-	-	-	385	-	-	40,269	-	-	-	75,669
FUND BALANCES														
Restricted	-	-	-	-	192,486	35,723	-	6,444	66,518	7,291	3,039	4,065	5,616	-
Assigned	-	112,482	17,068	612,289	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	112,482	17,068	612,289	192,486	35,723	-	6,444	66,518	7,291	3,039	4,065	5,616	-
Total liabilities and fund balances	\$ 99,164	\$ 114,177	\$ 17,068	\$ 612,289	\$ 192,486	\$ 35,723	\$ 385	\$ 6,444	\$ 66,518	\$ 47,560	\$ 3,039	\$ 4,065	\$ 5,616	\$ 75,669

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
September 30, 2018**

	Special Revenue Funds						Capital Projects Funds							Total Nonmajor governmental Funds
	Community Development Block Grant	Airport	Local Housing	MSBU	Tourist Development Trust	Landfill	Board of County Commissioners Florida Boating Improvement	Tourism Tax Infra- structure	Tourism Tax 4th and 5th Cent	Small County Road Assistance	Small County Courthouse	Small County Outreach	FDOT Economic Development	
ASSETS														
Cash	\$ -	\$ 80,779	\$ 578,964	\$ 241,004	\$ 328,471	\$ 557,627	\$ 39,089	\$ 244,355	218,619	\$ -	\$ 637	\$ -	\$ 36,566	\$ 3,048,171
Accounts receivable	-	9,195	-	-	-	51,531	-	-	-	-	-	-	-	69,523
Due from other funds	-	-	-	-	30,128	-	-	8,143	43,156	-	-	-	-	185,988
Due from other governmental units	-	11,690	-	1	-	-	3,964	-	-	37,565	-	1,402,604	-	1,510,688
Investments	-	-	15,822	-	-	3,846	-	-	-	-	-	-	-	409,589
Total assets	\$ -	\$ 101,664	\$ 594,786	\$ 241,005	\$ 358,599	\$ 613,004	\$ 43,053	\$ 252,498	\$ 261,775	\$ 37,565	\$ 637	\$ 1,402,604	\$ 36,566	\$ 5,223,959
LIABILITIES AND FUND BALANCES														
LIABILITIES														
Current liabilities														
Accounts payable	\$ 22,227	\$ 3,927	\$ 11,346	\$ 297	\$ 35,091	\$ 95,328	\$ 2,744	\$ 369	\$ -	\$ 24,200	\$ -	\$ 506,507	\$ -	\$ 755,015
Due to other funds	28,704	-	-	61,561	-	-	-	18,110	175,794	60,765	-	895,855	-	1,330,289
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued wages	-	557	-	-	-	399	-	-	-	-	-	-	-	956
Revenues collected in advance	-	-	296,173	-	-	-	-	-	-	-	-	-	-	365,906
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	4,970
Total liabilities	50,931	4,484	307,519	61,858	35,091	95,727	2,744	18,479	175,794	84,965	-	1,402,362	-	2,457,136
FUND BALANCES														
Restricted	(50,931)	-	287,267	-	323,508	517,277	40,309	234,019	85,981	(47,400)	637	242	36,566	1,748,657
Assigned	-	97,180	-	179,147	-	-	-	-	-	-	-	-	-	1,018,166
Total fund balances	(50,931)	97,180	287,267	179,147	323,508	517,277	40,309	234,019	85,981	(47,400)	637	242	36,566	2,766,823
Total liabilities and fund balances	\$ -	\$ 101,664	\$ 594,786	\$ 241,005	\$ 358,599	\$ 613,004	\$ 43,053	\$ 252,498	\$ 261,775	\$ 37,565	\$ 637	\$ 1,402,604	\$ 36,566	\$ 5,223,959

See notes to financial statements.

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

	Special Revenue Funds													
	Clerk of the Circuit Court						Property Appraiser	Sheriff						Supervisor of Elections
	Clerk of Courts Operating	Clerk Court	Clerk CSE Incentive	Clerk CSE Reimbursement	Public Records Modernization	Teen Court	Operating	Drug Task Force Grant	Inmate Welfare	Emergency Management	Local Law Enforcement Block Grant	Sheriff Program	Special Law Enforcement Trust	Operating
REVENUES														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	146,192	402	67,616	-	-	-	-	-	50,358	-	-	-	16,714
Charges for services	140,428	272,300	-	-	22,050	5,481	-	-	67,281	-	-	-	-	-
Fines and forfeitures	-	160,830	-	-	-	-	-	-	-	-	-	56	-	-
Miscellaneous	849	-	40	7,056	7,778	78	-	645	-	8,570	-	-	-	1,133
Special assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	8
Total revenues	141,277	579,322	442	74,672	29,828	5,559	-	645	67,281	58,928	-	56	-	17,855
EXPENDITURES														
Current Expenditures														
General government	987,106	-	-	-	-	-	731,512	-	-	-	-	-	-	549,717
Public safety	-	-	-	-	-	-	-	10,640	33,978	51,637	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	511,112	-	151,204	-	-	-	-	-	-	-	-	-	-
Capital outlay														
General government	52,691	-	-	-	-	-	-	-	-	-	-	-	-	30,342
Public safety	-	-	-	-	-	-	-	-	8,399	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	5,903	-	-	-	-	-	-	-	-	-	-
Debt service														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,039,797	511,112	-	157,107	-	-	731,512	10,640	42,377	51,637	-	-	-	580,059
Excess of revenues over (under) expenditures	(898,520)	68,210	442	(82,435)	29,828	5,559	(731,512)	(9,995)	24,904	7,291	-	56	-	(562,204)
OTHER FINANCING SOURCES (USES)														
Interfund transfers in	898,520	-	-	-	-	-	731,512	-	-	-	-	-	-	562,204
Interfund transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	898,520	-	-	-	-	-	731,512	-	-	-	-	-	-	562,204
Net change in fund balances	-	68,210	442	(82,435)	29,828	5,559	-	(9,995)	24,904	7,291	-	56	-	-
Fund balances beginning of year	-	44,272	16,626	694,724	162,658	30,164	-	16,439	41,614	-	3,039	4,009	5,616	-
Fund balances end of year	<u>\$ -</u>	<u>\$ 112,482</u>	<u>\$ 17,068</u>	<u>\$ 612,289</u>	<u>\$ 192,486</u>	<u>\$ 35,723</u>	<u>\$ -</u>	<u>\$ 6,444</u>	<u>\$ 66,518</u>	<u>\$ 7,291</u>	<u>\$ 3,039</u>	<u>\$ 4,065</u>	<u>\$ 5,616</u>	<u>\$ -</u>

See notes to financial statements.

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

	Special Revenue Funds								Capital Projects Funds					
	Board of County Commissioners													
	Community Development Block Grant	Airport	Local Housing	MSBU	Tourist Development Trust	Landfill	Florida Boating Improvement	Tourism Tax Infrastructure	Tourism Tax 4th and 5th Cent	Small County Road Assistance	Small County Courthouse	Small County Outreach	FDOT Economic Development	Total Nonmajor Governmental Funds
REVENUES														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 182,486	\$ -	\$ -	\$ 49,321	\$ 261,400	\$ -	\$ -	\$ -	\$ -	\$ 493,207
Intergovernmental revenue	-	38,962	451,898	-	-	-	-	-	-	66,821	-	1,761,631	-	2,600,594
Charges for services	-	65,491	-	108	674	101,168	17,803	-	-	-	-	-	-	692,784
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	-	160,886
Miscellaneous	-	7,038	-	47	-	1,304	-	-	-	-	-	-	-	34,538
Special assessments	-	-	-	49,193	-	-	-	-	-	-	-	-	-	49,193
Interest	-	223	1,285	5,309	-	-	136	479	329	-	2	-	-	7,771
Total revenues	-	111,714	453,183	54,657	183,160	102,472	17,939	49,800	261,729	66,821	2	1,761,631	-	4,038,973
EXPENDITURES														
Current Expenditures														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	2,268,335
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	96,255
Physical environment	-	-	-	-	-	120,875	-	-	-	-	-	-	-	120,875
Transportation	-	74,810	-	15,504	-	-	-	-	-	-	-	-	-	90,314
Economic environment	50,450	-	248,457	-	122,336	-	-	22,711	-	-	-	-	-	443,954
Culture/recreation	-	-	-	-	-	-	51,581	-	-	-	-	-	-	51,581
Court-related	-	-	-	-	-	-	-	-	-	-	-	-	-	662,316
Capital outlay														
General government	-	-	-	-	-	-	-	-	-	-	-	-	-	83,033
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	8,399
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	46,341	-	-	-	-	-	-	-	66,821	-	1,761,389	29,237	1,903,788
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-	-	-	-	5,903
Debt Service														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	50,450	121,151	248,457	15,504	122,336	120,875	51,581	22,711	-	66,821	-	1,761,389	29,237	5,734,753
Excess of revenues over (under) expenditures	(50,450)	(9,437)	204,726	39,153	60,824	18,403	(33,642)	27,089	261,729	-	2	242	29,237	(1,695,780)
OTHER FINANCING SOURCES (USES)														
Interfund transfers in	-	836	117,518	-	-	946	-	-	-	-	-	-	-	2,311,536
Interfund transfers out	-	-	(117,518)	(1,350)	-	-	-	(18,110)	(175,794)	-	-	-	-	(312,772)
Total other financing sources (uses)	-	836	-	(1,350)	-	946	-	(18,110)	(175,794)	-	-	-	-	1,998,764
Net change in fund balances	(50,450)	(8,601)	204,726	37,803	60,824	(17,457)	(33,642)	8,979	85,935	-	2	242	(29,237)	302,984
Fund balances beginning of year	(481)	105,781	82,541	141,344	262,684	534,734	73,951	225,040	46	(47,400)	635	-	65,803	2,463,839
Fund balances end of year	\$ (50,931)	\$ 97,180	\$ 287,267	\$ 179,147	\$ 323,508	\$ 517,277	\$ 40,309	\$ 234,019	\$ 85,981	\$ (47,400)	\$ 637	\$ 242	\$ 36,566	\$ 2,766,823

See notes to financial statements.

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Taylor County, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Taylor County, Florida's basic financial statements, and have issued our report thereon dated March 14, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Certified Public Accountants

March 14, 2019

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

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

Report on Compliance for Each Major State Project

We have audited the compliance of Taylor County, Florida with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance Supplement, that could have a direct and material effect on its major State project for the year ended September 30, 2018. Taylor County, Florida's major State project is identified in the summary of auditors' results section of the accompanying Schedule of Findings.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Project

In our opinion, Taylor County, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State project for the fiscal year ended September 30, 2018.

Other Matters

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

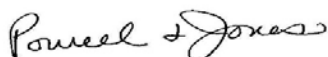
Internal Control Over Compliance

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

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

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

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



POWELL & JONES, CPAs

March 14, 2019

TAYLOR COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2018

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	Reserved Deferred Revenues 9/30/2018
FEDERAL AWARDS								
US DEPARTMENT OF ECONOMIC DEVELOPMENT								
Community Development Block Grant	14.228	18DB-OM-03-72-01-H 02	\$ 750,000	\$ -	\$ -	\$ 50,450	\$ 50,450	\$ -
US DEPARTMENT OF INTERIOR								
<i>passed through Florida Department of Agriculture & Consumer Services/Division of Forestry</i>								
Title IV-D Volunteer Fire Assistance Grant	15.228	FY2018VFA	5,145	-	-	5,145	5,145	-
US ELECTIONS ASSISTANCE COMMISSION								
<i>Passed through Florida Department of State</i>								
Help America Vote Act - Security Grants	90.401	MOA-#2018-2019-001-TAY	7,724	-	-	7,724	7,724	-
Albert Network Monitoring Solution Grant	90.401	MOA-#2018-2019-002-TAY	8,991	-	-	8,991	8,991	-
Voting Systems Assistance Grant 17-18	90.401	2017-2018-0006-TAY	15,488	-	-	15,488	15,488	-
			32,203	-	-	32,203	32,203	-
FEDERAL OFFICE OF CHILD SUPPORT ENFORCEMENT								
<i>Passed through the Florida Department of Revenue</i>								
Title IV-D Child Support Enforcement	93.563	COC62	67,616	-	-	67,616	67,616	-
FEDERAL DEPARTMENT OF HOMELAND SECURITY								
<i>passed through Florida Division of Emergency Management</i>								
Emergency Management Performance Grant	97.042	18-FG-7A-03-72-01-088	55,273	-	-	40,778	40,778	-
Emergency Management Performance Grant	97.042	EMPA 19-FG-AF-03-72-01-147	55,342	-	-	28,511	28,511	-
			110,615	-	-	69,289	69,289	-
FEDERAL DEPARTMENT OF EMERGENCY MANAGEMENT								
<i>passed through Florida Division of Emergency Management</i>								
Cert Grant	97.042	VOLUNTEERFL8162/CERT	7,000	-	-	6,454	6,454	-
FEMA DR-4280 Hurricane Hermine Assistance Grant	31.067	17-PA-W1-03-72-02-001	655,369	-	-	355,252	355,252	-
			662,369	-	-	361,706	361,706	-
Total federal awards			\$ 1,627,948	\$ -	\$ -	\$ 586,409	\$ 586,409	\$ -

TAYLOR COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2018

Federal and State Grantor/Pass Through Grantor Program Title	CSFA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	Reserved Deferred Revenues 9/30/2018
STATE FINANCIAL ASSISTANCE								
<i>Florida Division of Emergency Management</i>								
Emergency Management Programs	31.063	EMPG 19-BG-21-03-72-01-091	\$ 105,806	\$ -	\$ -	\$ 16,627	\$ 16,627	-
Emergency Management Programs	31.063	18-BG-WP-03-72-01-156	105,806	28,850	-	74,599	74,599	-
FEMA RCMP Housing Grant	31.066	18HL-AG-03-72-01-037	194,000	-	-	135,642	135,642	-
			<u>405,612</u>	<u>28,850</u>	<u>-</u>	<u>226,868</u>	<u>226,868</u>	<u>-</u>
<i>Department of Environmental Protection</i>								
Small County Solid Waste Grant Agreement	37.012	SC829	90,909	-	-	90,909	90,909	-
FRDAP Steinhatchee Community Center Park	37.017	A16001	50,000	30,543	-	50,000	19,457	-
FRDAP Sports Complex Phase IV	37.017	A16020	50,000	34,675	-	50,000	15,325	-
Steinhatchee Boat Ramp Docking Area Improvement Project Phase II	N/A	NA17NOS4190059	30,000	-	-	20,538	20,538	-
Keaton Beach Coastal Park LWCF 12-00624	N/A	LWCF 12-00624	-	-	-	-	-	-
			<u>220,909</u>	<u>65,218</u>	<u>-</u>	<u>211,447</u>	<u>146,229</u>	<u>-</u>
<i>Florida Housing Finance Corporation State Housing Initiatives Program</i>								
SHIP Funds 2015-2016	40.901	N/A	350,000	308,010	41,990	41,990	789	41,201
SHIP Funds 2016-2017	40.901	N/A	350,000	50,892	299,108	44,135	44,768	254,973
SHIP Funds 2017-2018	40.901	N/A	350,000	-	-	350,000	181,143	168,857
			<u>1,050,000</u>	<u>358,902</u>	<u>341,098</u>	<u>436,125</u>	<u>226,700</u>	<u>465,031</u>
<i>Department of Agriculture and Consumer Services</i>								
Arthropod Mosquito Control State Aid	42.003	FDACS-2016 03/17	32,468	-	-	32,468	32,468	-
			<u>32,468</u>	<u>-</u>	<u>-</u>	<u>32,468</u>	<u>32,468</u>	<u>-</u>
<i>Department of State</i>								
State Aid to Libraries	45.030	18-ST-87	86,630	-	-	86,630	86,630	-
			<u>86,630</u>	<u>-</u>	<u>-</u>	<u>86,630</u>	<u>86,630</u>	<u>-</u>
<i>Florida Department of Transportation Commission for the Transportation Disadvantaged</i>								
Transportation Disadvantaged Grant	55.002	G0N99	19,895	4,576	-	15,319	15,319	-
Transportation Disadvantaged Grant	55.002	G0N99	19,895	-	-	5,618	2,886	-
			<u>39,790</u>	<u>4,576</u>	<u>-</u>	<u>20,937</u>	<u>18,205</u>	<u>-</u>
<i>Federal Aviation Administration</i>								
Airfield Lighting and Signage	55.004	436705-1-94-18	173,655	89,316	-	38,962	28,549	-
			<u>173,655</u>	<u>89,316</u>	<u>-</u>	<u>38,962</u>	<u>28,549</u>	<u>-</u>
<i>Small County Outreach Program</i>								
East Ellison Road	55.009	ARC92	254,856	221	-	-	-	-
Carlton Cemetary Road	55.009	G0667	1,865,000	103,611	-	1,761,631	1,761,389	-
San Pedro Road	55.009	G0676	1,133,182	99,267	-	-	-	-
			<u>3,253,038</u>	<u>203,099</u>	<u>-</u>	<u>1,761,631</u>	<u>1,761,389</u>	<u>-</u>

TAYLOR COUNTY FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For The Fiscal Year Ended September 30, 2018

Federal and State Grantor/Pass Through Grantor Program Title	CFDA#	GRANT #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	DEFERRED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	Reserved Deferred Revenues 9/30/2018
Florida Department of Transportation								
Small County Road Assistance Program								
East Ellison Road	55.016	AQX74	\$ 163,919	\$ 142	\$ -	\$ -	\$ -	\$ -
North Ellison Road	55.016	ARB12	239,068	207	-	-	-	-
Foley Cut-Off Road	55.016	ARM53	816,052	41,856	-	49,121	49,121	-
Houck Road	55.016	GOJ93	984,438	-	-	17,700	17,700	-
			<u>2,203,477</u>	<u>42,205</u>	<u>-</u>	<u>66,821</u>	<u>66,821</u>	<u>-</u>
Florida Department of Health								
EMS County Grant	64.005	C5062	3,375	-	-	3,375	3,375	-
			<u>3,375</u>	<u>-</u>	<u>-</u>	<u>3,375</u>	<u>3,375</u>	<u>-</u>
Department of Management Services								
Wireless 911 Board-911 Wireless State Funds								
911 Access Fee - Local exchange			24,999	-	-	24,999	24,999	-
911 Access Fee - Wireless Service			47,715	-	-	47,715	47,715	-
Supplemental Wireless 911			43,083	-	-	43,083	43,083	-
Rural County Maintenance Grant-Fall	72.001	17-11-19	5,670	-	-	5,670	5,670	-
Rural County Maintenance Grant-Spring	72.001	18-04-26	51,778	-	-	51,778	51,778	-
			<u>173,245</u>	<u>-</u>	<u>-</u>	<u>173,245</u>	<u>173,245</u>	<u>-</u>
EXECUTIVE OFFICE OF THE GOVERNOR								
passed through Florida Division of Emergency Management								
FEMA DR-4280 Hurricane Hermine Assistance Grant	31.067	17-PA-W1-03-72-02-001	109,228	-	-	59,209	59,209	-
			<u>109,228</u>	<u>-</u>	<u>-</u>	<u>232,454</u>	<u>232,454</u>	<u>-</u>
FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION								
Taylor County Artificial Reef Monitoring Project 2017-18	77.007	FWC-17025	16,374	-	-	-	7,000	-
Steinhatchee Boat Ramp Restrooms	77.006	15087	42,876	-	-	42,876	42,876	-
			<u>59,250</u>	<u>-</u>	<u>-</u>	<u>42,876</u>	<u>49,876</u>	<u>-</u>
Total state financial assistance			<u>\$ 7,810,677</u>	<u>\$ 792,166</u>	<u>\$ 341,098</u>	<u>\$ 3,333,839</u>	<u>\$ 3,052,809</u>	<u>\$ 465,031</u>

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

TAYLOR COUNTY, FLORIDA

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

For the Fiscal Year Ended September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Basis of Accounting

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

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

**TAYLOR COUNTY, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2018**

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
*Material weakness identified?	No
*Significant deficiencies identified not considered to be a material weakness?	None reported
Noncompliance material to financial statements	No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:	
* Material weakness identified?	No
* Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with rule 10.656, <i>Rules of the Auditor General</i> ?	No

CSFA Number

Name of State Program
DEPARTMENT OF STATE
State Aid to Libraries

45.030

DEPARTMENT OF TRANSPORTATION

Small County Outreach Program

55.009

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

None

State Financial Assistance Findings and Questioned Costs

None

MANAGEMENT LETTER

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

We have audited the financial statements of Taylor County, Florida (the County), as of and for the year ended September 30, 2018, and have issued our report thereon dated March 14, 2019.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project, and Schedule of Findings. Disclosures in those reports and schedule, which are dated March 14, 2019, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

BOARD OF COUNTY COMMISSIONERS

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

CLERK OF THE CIRCUIT COURT

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

PROPERTY APPRAISER**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SHERIFF**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS**Individual Depository Fund**

From our audit of transactions in the Individual Depository Fund, we found that many receipts were not recorded and deposited in a timely manner. There were receipts that were not recorded or deposited for up to 90 days from initial receipt.

For adequate internal control and security of cash receipts, we recommend that all cash received in the Office be recorded and deposited on a daily basis if feasible and always by the end of each work week.

SUPERVISOR OF ELECTIONS**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

TAX COLLECTOR**PRIOR YEAR FINDINGS**

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial report of Taylor County, Florida, for the year ended September 30, 2018.

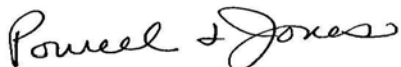
Financial Emergency Status - We determined that the County had not met any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(1)(i)5a. and 10.556)(7), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

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

CONCLUSION

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



POWELL & JONES

Certified Public Accountants
March 14, 2019

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined Taylor County, Florida's (the County) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2018. We have also examined the Clerk of the Circuit Court's (Clerk's) compliance with Section 28.35, *Florida Statutes* as to the following during the fiscal year ended September 30, 2018:

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

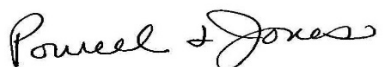
We also examined the County's compliance with section 365.172(10) *Florida Statutes* and requirements specified by the E911 Board grant and special disbursement programs. These laws require that E911 fee revenues, interest, and E911 grant funding to be used to pay for authorized expenditures as specified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

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

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

In our opinion, Taylor County, Florida and the Taylor County Clerk of the Circuit Court complied, in all material respects, with the aforementioned respective requirements for the year ended September 30, 2018.

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



POWELL & JONES
Certified Public Accountants
March 14, 2019

CLERK OF THE CIRCUIT COURT

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

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2018

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Clerk of the Circuit Court
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Clerk of the Circuit Court (the Clerk of the Circuit Court), as of and for the year ended September 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

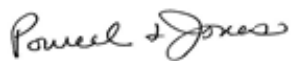
In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Clerk of the Circuit Court, as of September 30, 2018, and the results of its operations and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2019, on our consideration of the Clerk of the Circuit Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of the Circuit Court's internal control over financial reporting and on compliance.

Other Information

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



POWELL & JONES

Certified Public Accountants
April 30, 2019

COMBINED FINANCIAL STATEMENTS

**TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINED BALANCE SHEET - ALL FUNDS
SEPTEMBER 30, 2018**

	<u>Governmental Funds</u>		<u>Fiduciary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS				
Current Assets				
Cash	\$ 99,164	\$ 470,345	\$ 217,915	\$ 787,424
Accounts receivable	-	6,915	2,599	9,514
Due from other funds	-	104,561	-	104,561
Investments	-	389,921	114,377	504,298
Total assets	\$ 99,164	\$ 971,742	\$ 334,891	\$ 1,405,797
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 98,964	\$ 1,695	\$ -	\$ 100,659
Due to individuals	-	-	225,306	225,306
Due to other funds	-	-	104,561	104,561
Due to Board of County Commissioners	-	-	-	-
Due to other governmental units	-	-	115	115
Other current liabilities	200	-	4,909	5,109
Total liabilities	99,164	1,695	334,891	435,750
FUND EQUITY				
Restricted fund balance	-	970,047	-	970,047
Total liabilities and fund equity	\$ 99,164	\$ 971,742	\$ 334,891	\$ 1,405,797

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals</u>
REVENUES			
Intergovernmental revenue	\$ -	\$ 214,210	\$ 214,210
Charges for services	140,427	323,554	463,981
Fines	-	144,724	144,724
Miscellaneous	850	7,337	8,187
Total revenues	<u>141,277</u>	<u>689,825</u>	<u>831,102</u>
EXPENDITURES			
Current expenditures			
General government	984,407	-	984,407
Court-related	-	668,221	668,221
Capital outlay			
General government	55,390	-	55,390
Total expenditures	<u>1,039,797</u>	<u>668,221</u>	<u>1,708,018</u>
Excess of revenues over (under) expenditures	(898,520)	21,604	(876,916)
OTHER FINANCING SOURCES			
Transfers from Board of County Commissioners	<u>898,520</u>	<u>-</u>	<u>898,520</u>
Net change in fund balances	-	21,604	21,604
Fund balances at beginning of year	-	948,443	948,443
Fund balances at end of year	<u>\$ -</u>	<u>\$ 970,047</u>	<u>\$ 970,047</u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018

	General Fund			Special Revenue Funds		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 214,210	\$ 214,210	\$ -
Charges for services	140,427	140,427	-	323,554	323,554	-
Fines	-	-	-	144,724	144,724	-
Miscellaneous	850	850	-	7,337	7,337	-
Total revenues	141,277	141,277	-	689,825	689,825	-
EXPENDITURES						
Current expenditures						
General government	984,407	984,407	-	-	-	-
Court-related	-	-	-	662,318	662,318	-
Capital outlay						
General government	55,390	55,390	-	-	-	-
Court-related	-	-	-	5,903	5,903	-
Total expenditures	1,039,797	1,039,797	-	668,221	668,221	-
Excess (deficiency) of revenues over expenditures	(898,520)	(898,520)	-	21,604	21,604	-
OTHER FINANCING SOURCES						
Transfers from the Board of County Commissioners	898,520	898,520	-	-	-	-
Net change in fund balances	-	-	-	21,604	21,604	-
Fund balances at beginning of year	-	-	-	948,443	948,443	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 970,047	\$ 970,047	\$ -

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

CLERK OF THE CIRCUIT COURT

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

B. Fund Accounting - Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund entity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds utilized by the Clerk are as follows:

(1) Governmental Funds

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. As of September 30, 2018, the Clerk maintained the following special revenue funds:

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

2) Fiduciary Funds

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

General Trust
Registry of Court
Cash Bond

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

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

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

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2018, the book balance of the Clerk's deposits was \$787,424. This bank balance was covered by federal depository insurance and collateral held at various qualified public depositories. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

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

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

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

H. Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the

control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$83,244 is reported in the General Long-Term Debt Accounts of Taylor County, Florida.

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

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

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

NOTE 2. DEFINED BENEFIT PENSION PLAN

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

Funding Policy - The System was employee noncontributory through June 30, 2011. Effective July 1, 2011, all employees are required to contribute 3% to the System. The Clerk is required to contribute at an actuarially determined rate. The rates at September 30, 2018 were as follows: Regular Employees 8.26%; Senior Management 24.06%; Elected Officials 48.70% and Employees electing the DROP Program 14.03%. The contribution requirements of plan members and the Clerk are established and may be amended by the Florida Legislature. The Clerk's contributions to the System for the years ending September 30, 2018, 2017 and 2016 were \$128,225, \$124,658, and \$122,548, respectively, equal to the required contributions for each year

NOTE 3. INTERFUND RECEIVABLES AND PAYABLES

Balances at September 30, 2018, were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Information Technology	\$ 104,561	\$ -
Clerk Trust	-	104,561
	<u>\$ 104,561</u>	<u>\$ 104,561</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

**TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GENERAL FUND
September 30, 2018**

ASSETS

Current Assets

Cash	\$ 99,164
Total assets	<u>\$ 99,164</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Current Liabilities

Accounts payable	\$ 98,964
Due to Board of County Commissioners	-
Other current liabilities	<u>200</u>
Total liabilities and fund equity	<u>\$ 99,164</u>

See notes to the financial statements.

**TAYLOR COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Charges for services				
General government				
Recording of legal instruments	\$ 21,666	\$ 50,508	\$ 50,508	\$ -
Other general government charges	43,334	89,919	89,919	-
Total charges for services	<u>65,000</u>	<u>140,427</u>	<u>140,427</u>	<u>-</u>
Miscellaneous				
Interest earnings	900	818	818	-
Miscellaneous	16,012	32	32	-
Total miscellaneous	<u>16,912</u>	<u>850</u>	<u>850</u>	<u>-</u>
Total revenues	<u>81,912</u>	<u>141,277</u>	<u>141,277</u>	<u>-</u>
EXPENDITURES				
General government				
County financial and administrative				
Personnel services	389,264	335,593	335,593	-
Operating expenses	2,768	7,994	7,994	-
Capital outlay	877	2,699	2,699	-
Total County financial and administrative	<u>392,909</u>	<u>346,286</u>	<u>346,286</u>	<u>-</u>
Clerk BCC recording				
Personnel services	363,913	313,657	313,657	-
Operating expenses	16,447	47,505	47,505	-
Capital outlay	6,345	19,526	19,526	-
Total Clerk BCC recording	<u>386,705</u>	<u>380,688</u>	<u>380,688</u>	<u>-</u>
BCC recording				
Personnel services	72,117	62,158	62,158	-
Operating expenses	46,449	134,163	134,163	-
Capital outlay	10,778	33,165	33,165	-
Total BCC recording	<u>129,344</u>	<u>229,486</u>	<u>229,486</u>	<u>-</u>
BCC Clerical				
Personnel services	<u>96,690</u>	<u>83,337</u>	<u>83,337</u>	<u>-</u>
Total expenditures	<u>1,005,648</u>	<u>1,039,797</u>	<u>1,039,797</u>	<u>-</u>
Excess of revenues over (under) expenditures	(923,736)	(898,520)	(898,520)	-
OTHER FINANCING SOURCES				
Transfers from Board of County Commissioners	<u>923,736</u>	<u>898,520</u>	<u>898,520</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

SPECIAL REVENUE FUNDS

**TAYLOR COUNTY, FLORIDA
SPECIAL REVENUE FUNDS
CLERK OF THE CIRCUIT COURT
ALL SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2018**

	Court Fund	Child Support Enforcement Incentive	Reim- bursement	IT/Public Records Modernization Trust	Teen Court Grants	Totals
ASSETS						
Cash	\$ 114,175	\$ 17,068	\$ 215,453	\$ 87,925	\$ 35,724	\$ 470,345
Accounts receivable	-	-	6,915	-	-	6,915
Due from other funds	-	-	-	104,561	-	104,561
Investments	-	-	389,921	-	-	389,921
Total assets	\$ 114,175	\$ 17,068	\$ 612,289	\$ 192,486	\$ 35,724	\$ 971,742
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 1,695	\$ -	\$ -	\$ -	\$ -	\$ 1,695
Due to other funds	-	-	-	-	-	-
Total liabilities	1,695	-	-	-	-	1,695
FUND BALANCES						
Restricted	112,480	17,068	612,289	192,486	35,724	970,047
Total liabilities and fund balances	\$ 114,175	\$ 17,068	\$ 612,289	\$ 192,486	\$ 35,724	\$ 971,742

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
ALL SPECIAL REVENUE FUNDS
CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2018

	Court Fund	Child Support Enforcement		IT/Public Records Modernization Trust	Teen Court Grants	Totals
		Incentive	Reim- bursement			
REVENUES						
Intergovernmental revenue	\$ 146,192	\$ 402	\$ 67,616	\$ -	\$ -	\$ 214,210
Charges for services	288,407	-	-	29,665	5,482	323,554
Fines	144,724	-	-	-	-	144,724
Miscellaneous	-	40	7,056	163	78	7,337
Total revenues	579,323	442	74,672	29,828	5,560	689,825
EXPENDITURES						
Court related						
Personnel expenses	483,755	-	77,404	-	-	561,159
Operating expenses	27,359	-	73,800	-	-	101,159
Capital outlay	-	-	5,903	-	-	5,903
Total expenditures	511,114	-	157,107	-	-	668,221
Excess of revenues over (under) expenditures	68,209	442	(82,435)	29,828	5,560	21,604
Fund balances at beginning of year	44,271	16,626	694,724	162,658	30,164	948,443
Fund balances at end of year	\$ 112,480	\$ 17,068	\$ 612,289	\$ 192,486	\$ 35,724	\$ 970,047

See notes to financial statements.

AGENCY FUNDS

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

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2018**

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
GENERAL TRUST				
Assets				
Cash	\$ 41,978	\$ 2,401,207	\$ 2,368,069	\$ 75,116
Investments	112,470	1,907	-	114,377
Accounts receivable	511	8,826	6,738	2,599
Due from other funds	-	-	-	-
Total assets	<u>\$ 154,959</u>	<u>\$ 2,411,940</u>	<u>\$ 2,374,807</u>	<u>\$ 192,092</u>
Liabilities				
Due to Individuals	\$ 51,167	\$ 450,336	\$ 418,996	\$ 82,507
Due to other funds	96,966	11,378	3,783	104,561
Due to Board of County Commissioners	-	184,604	184,604	-
Due to other governmental units	6,170	2,473	8,528	115
Other current liabilities	656	1,726,016	1,721,763	4,909
Total liabilities	<u>\$ 154,959</u>	<u>\$ 2,374,807</u>	<u>\$ 2,337,674</u>	<u>\$ 192,092</u>
REGISTRY OF COURT				
Assets				
Cash	<u>\$ 137,208</u>	<u>\$ 109,531</u>	<u>\$ 117,107</u>	<u>\$ 129,632</u>
Liabilities				
Due to Individuals	<u>\$ 137,208</u>	<u>\$ 109,573</u>	<u>\$ 117,149</u>	<u>\$ 129,632</u>
CASH BOND				
Assets				
Cash	<u>\$ 10,709</u>	<u>\$ 26,631</u>	<u>\$ 24,173</u>	<u>\$ 13,167</u>
Liabilities				
Due to Individuals	<u>\$ 10,709</u>	<u>\$ 27,391</u>	<u>\$ 24,933</u>	<u>\$ 13,167</u>
TOTAL ALL AGENCY FUNDS				
Assets				
Cash	\$ 189,895	\$ 2,537,369	\$ 2,509,349	\$ 217,915
Investments	112,470	1,907	-	114,377
Accounts receivable	511	8,826	6,738	2,599
Due from other funds	-	-	-	-
Total assets	<u>\$ 302,876</u>	<u>\$ 2,548,102</u>	<u>\$ 2,516,087</u>	<u>\$ 334,891</u>
Liabilities				
Due to other funds	\$ 96,966	\$ 11,378	\$ 3,783	\$ 104,561
Due to Board of County Commissioners	-	184,604	184,604	-
Due to Individuals	199,084	587,300	561,078	225,306
Due to other governmental units	6,170	2,473	8,528	115
Other current liabilities	656	1,726,016	1,721,763	4,909
Total liabilities	<u>\$ 302,876</u>	<u>\$ 2,511,771</u>	<u>\$ 2,479,756</u>	<u>\$ 334,891</u>

See notes to financial statements.

COMPLIANCE SECTION

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

To the Clerk of the Circuit Court
Taylor County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of the Taylor County Clerk of the Circuit Court as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Taylor County Clerk of the Circuit Court's basic financial statements, and have issued our report thereon dated April 30, 2019.

Internal Control Over Financial Reporting

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

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

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

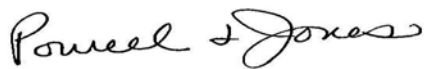
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Taylor County Clerk of the Circuit Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

POWELL & JONES
Certified Public Accountants
April 30, 2019

MANAGEMENT LETTER

Honorable Clerk of the Circuit Court
Taylor County, Florida

We have audited the financial statements of the Taylor County Clerk of the Circuit Court (Clerk), as of and for the year ended September 30, 2018, and have issued our report thereon dated April 30, 2019. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1), *Florida Statutes*, is in agreement with the accompanying financial statements of Taylor County, Florida, for the year ended September 30, 2018. The financial statements of the Clerk of Circuit Court are combined with other County agencies in that report.

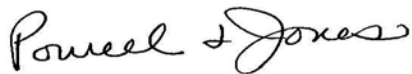
Financial Emergency Status - We have determined that the Clerk did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(1)5a. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

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

CONCLUSION

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

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

POWELL & JONES

Certified Public Accountants
April 30, 2019

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Clerk of the Circuit Court
Taylor County, Florida

We have examined the Taylor County, Florida's Clerk of the Circuit Court's (Clerk's) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2018. We have also examined the Clerk's compliance with Section 28.35, *Florida Statutes* as to the following during the fiscal year ended September 30, 2018:

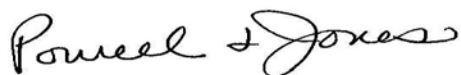
- a. The budget certified by the Florida Clerk of Courts Operations Corporation.
- b. The performance standards developed and certified to Section 28.35 *Florida Statutes*.

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

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

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

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



POWELL & JONES
Certified Public Accountants
April 30, 2019

PROPERTY APPRAISER

**TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER**

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2018

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Property Appraiser
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Property Appraiser, as of September 30, 2018, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2019, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and on compliance.

Other Information

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



POWELL & JONES

Certified Public Accountants

April 30, 2019

COMBINED FINANCIAL STATEMENTS

**TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET
September 30, 2018**

	Governmental Fund
	<u>General Fund</u>
ASSETS	
Current assets	
Cash	<u>\$ 385</u>
 LIABILITIES	
Current liabilities	
Due to Board of County Commissioners	<u>\$ 385</u>
Total liabilities	<u>\$ 385</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2018**

	<u>General Fund</u>
EXPENDITURES	
General government	
Current operating expenditures	<u>\$ 731,512</u>
Total expenditures	
 Excess of revenues over (under) expenditures	 (731,512)
 OTHER FINANCING SOURCES	
Transfers from Board of County Commissioners	<u>731,512</u>
 Net change in fund balance	 -
 Fund balance at beginning of year	 -
Fund balance at end of year	<u><u>\$ -</u></u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA

PROPERTY APPRAISER

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Fund Accounting

Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund entity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds and account group utilized by the Property Appraiser are as follows:

(i) Governmental Fund

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

(ii) Fiduciary Fund

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

C. Basis of Accounting

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

D. Budget

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

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

E. Cash and Investments

Deposits are carried at cost which equals market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2018, the book balance of the Property Appraiser's deposits was \$385. The total bank balance was covered by federal depository insurance and pledged collateral.

F. Inventories

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

G. Fixed Assets

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

H. Compensated Absences

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

government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$5,215 is reported in the General Long-Term Debt Accounts of Taylor County, Florida.

I. Estimates

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

J. Risk Management

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

K. Deferred Revenues

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

NOTE 2. PENSION PLAN

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

Funding Policy - The System is employee noncontributory through June 30, 2011. Effective July 1, 2011, employees are required to contribute 3% of their wages. The Property Appraiser is required to contribute at an actuarially determined rate. The rates at September 30, 2018 were as follows: Regular Employees 8.26%; Senior Management 24.06%; DROP 14.03%, and Elected Officials 48.70%. The contribution requirements of plan members and the Property Appraiser are established and may be amended by the Florida Legislature. The Property Appraiser's contributions to the System for the years ending September 30, 2018, 2017, and 2016 were \$90,631, \$77,504, and \$63,852, respectively, equal to the required contributions for each year. Full information on the System is included in Note 12 to the Taylor County, Florida, Financial Report.

INDIVIDUAL FUND STATEMENTS

GENERAL FUND

**TAYLOR COUNTY, FLORIDA
PROPERTY APPRAISER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
EXPENDITURES				
General government				
Property Appraiser				
Personnel services				
Executive salaries	\$ 102,309	\$ 102,309	\$ 102,309	\$ -
Regular salaries	317,694	317,694	293,100	24,594
FICA	29,261	29,261	29,261	-
Retirement	90,631	90,631	90,631	-
Life and health insurance	94,389	94,389	94,389	-
Unemployment compensation	50	50	50	-
Total personnel services	<u>634,334</u>	<u>634,334</u>	<u>609,740</u>	<u>24,594</u>
Operating services				
Education	790	790	790	-
Dues and memberships	4,604	4,604	4,604	-
Legal ads	2,243	2,243	2,243	-
Professional services	55,652	55,652	79,874	(24,222)
Contractual services	5,750	5,750	5,750	-
Travel and per diem	5,761	5,761	5,761	-
Communications	5,266	5,266	5,266	-
Rentals, repairs and maintenance	1,692	1,692	1,692	-
Office supplies	15,792	15,792	15,792	-
Total operating expenses	<u>97,550</u>	<u>97,550</u>	<u>121,772</u>	<u>(24,222)</u>
Total expenditures	<u>731,884</u>	<u>731,884</u>	<u>731,512</u>	<u>372</u>
Excess of revenue over (under) expenditures	(731,884)	(731,884)	(731,512)	372
OTHER FINANCING SOURCE				
Transfers from Board of County Commissioners	<u>731,884</u>	<u>731,884</u>	<u>731,512</u>	<u>(372)</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

COMPLIANCE SECTION

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

To the Property Appraiser
Taylor County, Florida

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

POWELL & JONES
Certified Public Accountants
April 30, 2019

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

Honorable Property Appraiser
Taylor County, Florida

We have audited the financial statements of the Taylor County Property Appraiser, as of and for the year ended September 30, 2018, and have issued our report thereon dated April 30, 2019.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated April 30, 2019. Disclosures in that report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Taylor County, Florida, for the year ended September 30, 2018. The financial statements of the Property Appraiser are combined with other County agencies in that report.

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

Financial Condition Assessment Procedures - As required by the Rules of the Auditor General (Sections 10.554(1)(i)5.a. and 10.556(7), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

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

CONCLUSION

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

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

POWELL & JONES

Certified Public Accountants

April 30, 2019

INDEPENDENT ACCOUNTANT'S REPORT

To The Property Appraiser
Taylor County, Florida

We have examined the Taylor County, Florida Property Appraiser's (the Property Appraiser) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2018. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

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

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

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

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

POWELL & JONES
Certified Public Accountants
April 30, 2019

SHERIFF

TAYLOR COUNTY, FLORIDA
SHERIFF
SPECIAL PURPOSE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 2018

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Sheriff
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Sheriff (the Sheriff), as of and for the year ended September 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Sheriff, as of September 30, 2018, and the results of its operations and budgetary comparison for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 14, 2019, on our consideration of the Sheriff' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff' internal control over financial reporting and on compliance.

Other Information

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



POWELL & JONES
Certified Public Accountants
March 14, 2019

COMBINED FINANCIAL STATEMENTS

**TAYLOR COUNTY, FLORIDA
SHERIFF
COMBINED BALANCE SHEET - ALL FUND TYPES
September 30, 2018**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>	
	<u>Special</u>			
	<u>General Fund</u>	<u>Revenue Funds</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS				
Current assets				
Cash	\$ 162,023	\$ 76,499	\$ 30,763	\$ 269,285
Accounts receivable	1,967	8,797	729	11,493
Due from state	-	45,139	-	45,139
Due from other fund	40,269	-	-	40,269
Due from other governmental units	-	2,810	-	2,810
Total assets	<u>\$ 204,259</u>	<u>\$ 133,245</u>	<u>\$ 31,492</u>	<u>\$ 368,996</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current liabilities				
Accounts payable	\$ 5,219	\$ -	\$ -	\$ 5,219
Due to individuals	-	-	9,444	9,444
Due to other funds	-	40,269	-	40,269
Due to Board of County Commissioners	199,040	-	5,110	204,150
Other current liabilities	-	-	16,938	16,938
Total liabilities	<u>204,259</u>	<u>40,269</u>	<u>31,492</u>	<u>276,020</u>
Fund balance				
Restricted	-	92,976	-	92,976
Total fund balances	-	92,976	-	92,976
Total liabilities and fund balances	<u>\$ 204,259</u>	<u>\$ 133,245</u>	<u>\$ 31,492</u>	<u>\$ 368,996</u>

See notes to financial statements

**TAYLOR COUNTY, FLORIDA
SHERIFF
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2018**

	General Fund	Special Revenue Funds	Totals
REVENUES			
Intergovernmental	\$ -	\$ 50,357	\$ 50,357
Charges for services	84,011	67,281	151,292
Fines and forfeitures	-	56	56
Miscellaneous	1,536	9,215	10,751
Total revenues	85,547	126,909	212,456
EXPENDITURES			
Public safety			
Law enforcement			
Personnel services	3,414,825	45,138	3,459,963
Operating expenses	501,566	17,138	518,704
Total law enforcement	3,916,391	62,276	3,978,667
Detention and correction			
Personnel services	1,967,975	-	1,967,975
Operating expenses	483,036	42,376	525,412
Total detention and correction	2,451,011	42,376	2,493,387
Total expenditures	6,367,402	104,652	6,472,054
Excess of revenues over (under) expenditures	(6,281,855)	22,257	(6,259,598)
OTHER FINANCING SOURCES			
Transfers from (to) Board of County Commissioners	6,281,855	-	6,281,855
Total other financing sources (uses)	6,281,855	-	6,281,855
Net change in fund balances	-	22,257	22,257
Fund balances at beginning of year	-	70,719	70,719
Fund balances at end of year	\$ -	\$ 92,976	\$ 92,976

See notes to financial statements

**TAYLOR COUNTY, FLORIDA
SHERIFF
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
For the Fiscal Year Ended September 30, 2018**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ 50,357	\$ 50,357	\$ -
Charges for services	-	84,011	84,011	67,281	67,281	-
Fines and forfeitures	-	-	-	56	56	-
Miscellaneous	-	1,536	1,536	9,215	9,215	-
Total revenues	-	85,547	85,547	126,909	126,909	-
EXPENDITURES						
Public Safety						
Law enforcement						
Personnel services	3,712,981	3,414,825	298,156	45,138	45,138	-
Operating expenses	470,451	501,566	(31,115)	17,138	17,138	-
Total law enforcement	4,588,532	3,916,391	672,141	62,276	62,276	-
Detention and correction						
Personnel services	2,342,120	1,967,975	374,145	-	-	-
Operating expenses	477,520	483,036	(5,516)	42,376	42,376	-
Total detention and correction	2,922,840	2,451,011	471,829	42,376	42,376	-
Total expenditures	7,511,372	6,367,402	1,143,970	104,652	104,652	-
Excess of revenues over (under) expenditures	(7,511,372)	(6,281,855)	(1,058,423)	22,257	22,257	-
OTHER FINANCING SOURCES (USES)						
Transfers from (to) Board of County Commissioners	7,511,372	6,281,855	(1,229,517)	-	-	-
Total other financing sources (uses)	7,511,372	6,281,855	(1,229,517)	-	-	-
Net change in fund balances	-	-	-	22,257	22,257	-
Fund balances at beginning of year	-	-	-	70,719	70,719	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ 92,976	\$ 92,976	\$ -

See notes to financial statements

TAYLOR COUNTY, FLORIDA

SHERIFF

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

B. Fund Accounting - Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund entity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds utilized by the Sheriff are as follows:

(i) Governmental Funds

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. During the fiscal year ended September 30, 2018, the Sheriff maintained the following Special Revenue Funds:

Drug Task Force Grant
Non-grant forfeitures

Local Law Enforcement Block Grant
Special Law Enforcement Trust
Inmate Welfare
Emergency Management Grant

(II) **Fiduciary Funds**

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

Individual Depository
Inmate Trust
Evidence Trust

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

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

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

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as “Cash.” At September 30, 2018, the book balance of the Sheriff’s deposits was \$270,013. This balance was covered by federal depository insurance and collateral held at various qualified public depositories. Chapter 280, *Florida Statutes*, defines the eligible collateral for these qualified public depositories.

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

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

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

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$300,393 is reported in the General Long-Term Debt Accounts of the Board of County Commissioners.

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

NOTE 2. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Equipment	Accumulated Depreciation	Net Assets
Beginning Balance	\$ 2,560,058	\$ (1,563,213)	\$ 996,845
Additions	-	(474,883)	(474,883)
Deletions	(1,898)	1,167	(731)
Ending Balance	<u>\$ 2,558,160</u>	<u>\$ (2,036,929)</u>	<u>\$ 521,231</u>

NOTE 3. PENSION PLAN

Plan Description - The Sheriff contributes to the Florida Retirement System ("System"), a cost sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, *Florida Statutes*, establishes the

authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, 2639 North Monroe Street, Tallahassee, Florida, or by calling (850)488-5706.

Funding Policy - The System was employee noncontributory through June 30, 2011. Subsequently, employees contribute 3% of their salaries to the System. The Sheriff is required to contribute at an actuarially determined rate. The rates at September 30, 2018, were as follows: Regular Employees 8.26%; Special Risk Administrative Support 34.98%, Special Risk Employees 24.50%; Senior Management 24.06%; Elected Officials 48.7% and employees electing the DROP Program 14.03%. The contribution requirements of plan members and the Sheriff are established and may be amended by the Florida Legislature. The Sheriff's contributions to the System for the years ending September 30, 2018, 2017, 2016, 2015 and 2014 were \$673,909, \$627,227, \$587,573, \$530,119, and \$483,964 respectively, equal to the required contributions for each year. Full information on the System is included in Note 12 to the Taylor County, Florida Financial Report.

NOTE 4. RISK MANAGEMENT

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

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

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

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

NOTE 5. LEASES

The Sheriff has various leases for office equipment with noncancelable terms. Lease expense for the 2018 fiscal year was \$6,888. The following is a schedule of commitments under these leases:

<u>Fiscal Year Ending</u>		
2019	\$	5,786
2020		2,786
2021		1,060
Total	\$	<u>9,632</u>

NOTE 6. CONTINGENT LIABILITIES

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

COMBINING AND INDIVIDUAL FUND STATEMENTS

**TAYLOR COUNTY, FLORIDA
SHERIFF
GENERAL FUND
BALANCE SHEET
September 30, 2018**

ASSETS

Cash	\$ 162,023
Accounts Receivable	1,967
Due from other fund	40,269
Total assets	<u>\$ 204,259</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 5,219
Due to Board of County Commissioners	199,040
Total liabilities and fund balance	<u>\$ 204,259</u>

See notes to financial statements.

**TAYLOR COUNTY
SHERIFF
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
REVENUES				
Charges for services				
Public safety	\$ -	\$ -	\$ 84,011	\$ 84,011
Miscellaneous				
Miscellaneous	-	-	1,536	1,536
Total miscellaneous	-	-	1,536	1,536
Total revenues	-	-	85,547	85,547
EXPENDITURES				
Public safety				
Law enforcement				
Personnel services	3,712,981	3,712,981	3,414,825	298,156
Operating expenses	470,451	470,451	501,566	(31,115)
Capital outlay	405,100	405,100	-	405,100
Total law enforcement	4,588,532	4,588,532	3,916,391	672,141
Corrections and detention				
Personnel services	2,342,120	2,342,120	1,967,975	374,145
Operating expenses	477,520	477,520	483,036	(5,516)
Capital outlay	103,200	103,200	-	103,200
Total corrections and detention	2,922,840	2,922,840	2,451,011	471,829
Total expenditures	7,511,372	7,511,372	6,367,402	1,143,970
Excess of revenues over (under) expenditures	(7,511,372)	(7,511,372)	(6,281,855)	1,229,517
OTHER FINANCING SOURCES				
Transfers from Board of County Commissioners	7,511,372	7,511,372	6,281,855	(1,229,517)
Total other financing sources	7,511,372	7,511,372	6,281,855	(1,229,517)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SHERIFF
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
September 30, 2018**

	Drug Task Force Grant	Nongrant Forfeitures	Inmate Welfare	Local Law Enforcement Block Grant	Special Law Enforcement Trust	Emergency Management	Totals
ASSETS							
Current assets							
Cash	\$ 4,279	\$ 3,420	\$ 57,723	\$ 3,039	\$ 5,616	\$ 2,422	\$ 76,499
Accounts receivable	-	-	8,797	-	-		8,797
Due from state	-	-	-	-	-	45,139	45,139
Due from other governmental units	2,165	645	-	-	-		2,810
Total assets	\$ 6,444	\$ 4,065	\$ 66,520	\$ 3,039	\$ 5,616	\$ 47,561	\$ 133,245
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Current liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,269	\$ 40,269
Total liabilities	-	-	-	-	-	40,269	40,269
FUND BALANCES							
Restricted	6,444	4,065	66,520	3,039	5,616	7,292	92,976
Total fund balances	\$ 6,444	\$ 4,065	\$ 66,520	\$ 3,039	\$ 5,616	\$ 47,561	\$ 133,245

See notes to financial statements

**TAYLOR COUNTY, FLORIDA
SHERIFF
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2018**

	Drug Task Force Grant	Nongrant Forfeitures	Inmate Welfare	Local Law Enforcement Block Grant	Special Law Enforcement Trust	Emergency Management	Totals
REVENUES							
Intergovernmental							
Federal and State grants							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,357	\$ 50,357
Total intergovernmental revenue	-	-	-	-	-	50,357	50,357
Charges for services							
Public safety	-	-	67,281	-	-	-	67,281
Fines and forfeitures							
Court cases							
Confiscated property	-	56	-	-	-	-	56
Miscellaneous							
Miscellaneous	645	-	-	-	-	8,570	9,215
Total revenues	645	56	67,281	-	-	58,927	126,909
EXPENDITURES							
Public safety							
Law enforcement							
Personnel services	-	-	-	-	-	45,138	45,138
Operating expenses	10,641	-	-	-	-	6,497	17,138
Capital outlay	-	-	-	-	-	-	-
Total law enforcement	10,641	-	-	-	-	51,635	62,276
Corrections and detention							
Personnel services	-	-	-	-	-	-	-
Operating expenses	-	-	42,376	-	-	-	42,376
Capital outlay	-	-	-	-	-	-	-
Total corrections and detention	-	-	42,376	-	-	-	42,376
Total expenditures	10,641	-	42,376	-	-	51,635	104,652
Excess of revenues over expenditures	(9,996)	56	24,905	-	-	7,292	22,257
Net change in fund balance	(9,996)	56	24,905	-	-	7,292	22,257
Fund balances at beginning of year	16,440	4,009	41,615	3,039	5,616	-	70,719
Fund balances at end of year	\$ 6,444	\$ 4,065	\$ 66,520	\$ 3,039	\$ 5,616	\$ 7,292	\$ 92,976

See notes to financial statements

**TAYLOR COUNTY, FLORIDA
SHERIFF
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2018**

	<u>Individual Depository</u>	<u>Inmate Trust</u>	<u>Evidence Trust</u>	<u>Totals</u>
ASSETS				
Cash	\$ 9,311	\$ 17,943	\$ 3,509	\$ 30,763
Accounts receivable	-	729	-	729
Total assets	<u>\$ 9,311</u>	<u>\$ 18,672</u>	<u>\$ 3,509</u>	<u>\$ 31,492</u>
LIABILITIES				
Due to individuals	\$ -	\$ 9,444	\$ -	\$ 9,444
Due to Board of County Commissioners	5,110	-	-	5,110
Other current liabilities	4,201	9,228	3,509	16,938
Total liabilities	<u>\$ 9,311</u>	<u>\$ 18,672</u>	<u>\$ 3,509</u>	<u>\$ 31,492</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SHERIFF
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2018**

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
INDIVIDUAL DEPOSITORY				
ASSETS				
Cash	\$ 4,784	\$ 26,353	\$ 21,826	\$ 9,311
Total assets	\$ 4,784	\$ 26,353	\$ 21,826	\$ 9,311
LIABILITIES				
Due to other governmental units	\$ 3,459	\$ -	\$ 3,459	\$ -
Due to Board of County Commissioners	1,325	5,110	1,325	5,110
Other current liabilities	-	31,137	26,936	4,201
Total liabilities	\$ 4,784	\$ 36,247	\$ 31,720	\$ 9,311
INMATE TRUST				
ASSETS				
Cash	\$ 8,118	\$ 154,615	\$ 144,790	\$ 17,943
Accounts receivable	-	152,269	151,540	729
Total assets	\$ 8,118	\$ 154,615	\$ 144,790	\$ 18,672
LIABILITIES				
Due to individuals	\$ 2,739	\$ 144,467	\$ 137,762	\$ 9,444
Other current liabilities	5,379	122,967	119,118	9,228
Total liabilities	\$ 8,118	\$ 267,434	\$ 256,880	\$ 18,672
EVIDENCE TRUST				
ASSETS				
Cash	\$ 3,109	\$ 400	\$ -	\$ 3,509
Total assets	\$ 3,109	\$ 400	\$ -	\$ 3,509
LIABILITIES				
Other current liabilities	\$ 3,109	\$ 400	\$ -	\$ 3,509
Total liabilities	\$ 3,109	\$ 400	\$ -	\$ 3,509
TOTALS-ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 16,011	\$ 181,368	\$ 166,616	\$ 30,763
Accounts receivable	-	152,269	151,540	729
Total assets	\$ 16,011	\$ 333,637	\$ 318,156	\$ 31,492
LIABILITIES				
Due to individuals	\$ 2,739	\$ 144,467	\$ 137,762	\$ 9,444
Due to Board of County Commissioners	1,325	5,110	1,325	5,110
Due to other governmental units	3,459	-	3,459	-
Other current liabilities	8,488	154,504	146,054	16,938
Total liabilities	\$ 16,011	\$ 304,081	\$ 288,600	\$ 31,492

See notes to financial statements.

COMPLIANCE SECTION

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

To the Sheriff
Taylor County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of the Taylor County Sheriff as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Taylor County Sheriff' special purpose financial statements, and have issued our report thereon dated March 14, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Powell & Jones". The signature is written in a cursive, flowing style.

POWELL & JONES
Certified Public Accountants
March 14, 2019

MANAGEMENT LETTER

Honorable Sheriff
Taylor County, Florida

We have audited the special purpose fund financial statements of the Taylor County Sheriff, as of and for the year ended September 30, 2018, and have issued our report thereon dated March 14, 2019.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, *Rules of the Florida Auditor General*.

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in this report which is dated March 14, 2019, should be considered in conjunction with this management letter.

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

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

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

Individual Depository Fund

From our audit of transactions in the Individual Depository Fund, we found that many receipts were not recorded and deposited in a timely manner. There were receipts that were not recorded or deposited for up to 90 days from initial receipt.

For adequate internal control and security of cash receipts, we recommend that all cash received in the Office be recorded and deposited on a daily basis if feasible and always by the end of each work week.

AUDITOR GENERAL COMPLIANCE MATTERS

Annual Report of Units of Local Government - The financial report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is an agreement with the audited special purpose fund financial statements of Taylor County, Florida, for the year ended September 30, 2018. The special purpose fund financial statements of the Sheriff are combined with other County agencies in that report.

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

Financial Condition Assessment - As required by the *Rules of the Auditor General* (Sections 10.554(1)(i)5a. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

CONCLUSION

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



POWELL & JONES
Certified Public Accountants
March 14, 2019

INDEPENDENT ACCOUNTANT'S REPORT

To The Sheriff
Taylor County, Florida

We have examined the Taylor County, Florida Sheriff's (the Sheriff) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2018. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

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

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

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



POWELL & JONES
Certified Public Accountants
March 14, 2019

MANAGEMENT RESPONSE

April 26th, 2019

Corrective Action

Audit findings on Individual Depository Fund

Findings:

Receipts were not recorded and deposited in a timely manner. The responsible party of the accounts was given other new responsibilities as well. This led to the deposits being done infrequently instead of a timely manner.

Action Taken:

The account referenced above is now under the responsibility of the Finance department. Upon receipt any currency is brought directly to Finance to count, verify, and sign off on before taking responsibility of it. Finance then takes the deposits to be deposited the same day. Signed copies of the verifications are kept for record keeping.

Conclusion:

These actions have been taken to ensure the findings from the audit have been corrected, and prevent it from happening in the future. That this will ensure this fund is managed properly in a timely manner, and that multiple eyes are on it to ensure accuracy.

John Ketrang, Assistant Finance Director
Taylor County Sheriff's Office

SUPERVISOR OF ELECTIONS

TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
SPECIAL PURPOSE FINANCIAL STATEMENTS
For the Fiscal Year Ended September 30, 2018

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Supervisor of Elections
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Supervisor of Elections (the Supervisor of Elections), as of and for the year ended September 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion


In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Supervisor of Elections, as of September 30, 2018, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2019, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and on compliance.

Other Information

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



POWELL & JONES
Certified Public Accountants
April 30, 2019

COMBINED FINANCIAL STATEMENTS

**TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GENERAL FUND
BALANCE SHEET
September 30, 2018**

ASSETS

Current Assets

Cash	\$	75,669
Total assets	\$	75,669

LIABILITIES AND FUND BALANCE

LIABILITIES

Current Liabilities

Accounts payable	\$	4,770
Deferred revenue		69,733
Due to Board of County Commissioners		1,166
Total liabilities		75,669
FUND BALANCE		-
Total liabilities and fund balance	\$	75,669

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2018**

	<u>Actual</u>
REVENUES	
Intergovernmental	
Federal grants	
Security grant	\$ 7,723
Voting system equipment grant	8,991
Total intergovernmental	<u>16,714</u>
Miscellaneous	
Other	<u>1,141</u>
Total miscellaneous	<u>1,141</u>
Total revenues	<u>17,855</u>
EXPENDITURES	
General government	
Other general government	
Supervisor of Elections	
Personnel services	297,678
Operating expenses	176,579
Capital outlay	30,342
Total Supervisor of Elections	<u>504,599</u>
Elections	
Personnel services	22,046
Operating expenses	53,414
Total elections	<u>75,460</u>
Total general government	<u>580,059</u>
Excess of revenues over (under) expenditures	<u>(562,204)</u>
OTHER FINANCING SOURCES	
Transfers in from Board of County Commissioners	<u>562,204</u>
Net change in fund balance	-
Fund balance at beginning of year	-
Fund balance at end of year	<u>\$ -</u>

See notes to financial statements.

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

September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

B. Fund Accounting - Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund 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. The funds utilized by the Supervisor of Elections are as follows:

(I) Governmental Funds

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

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

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

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

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

E. Cash and Investments - Deposits are carried at cost which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At September 30, 2018, the book balance of the Supervisor of Elections' deposits was \$75,669.

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

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

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$17,926 is reported in the General Long-Term Debt Accounts of Taylor County, Florida.

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

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

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

NOTE 2. PENSION PLAN

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

Funding Policy - The System was employee noncontributory through June 30, 2011. Subsequently, employees are required to contribute 3% to the System. The Supervisor of Elections is required to contribute at an actuarially determined rate. The rates at September 30, 2018, were as follows: Regular Employees 8.26%; Senior Management 24.06%; and Elected Officials 48.70%. The contribution requirements of plan members and the Supervisor of Elections are established and may be amended by the Florida Legislature. The Supervisor of Elections’ contributions to the System for the years ending September 30, 2018, 2017, and 2016 were \$54,235, \$41,206, and \$41,473, respectively, equal to the required contributions for each year. Full financial information on the System is contained in Note 12 to the Taylor County, Florida Financial Report.

NOTE 3. LEASES

The Supervisor has various leases for office equipment on noncancelable terms. Lease expense for the 2018 fiscal year was \$3,270. The following is a schedule of commitments under these leases.

<u>Fiscal Year Ending</u>	
2019	\$ 3,270
2020	2,909
2021	1,672
Total	<u>\$ 7,851</u>

INDIVIDUAL FUND STATEMENTS

GENERAL FUND

**TAYLOR COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Intergovernmental			
Federal grants			
Security grant	\$ -	\$ 7,723	\$ 7,723
Voting system equipment grant	-	8,991	8,991
Total intergovernmental	-	16,714	16,714
Miscellaneous			
Other	1,141	1,141	-
Total miscellaneous	1,141	1,141	-
Total revenues	1,141	17,855	16,714
EXPENDITURES			
General government			
Other general government			
Supervisor of Elections			
Personnel services	297,720	297,678	42
Operating expenses	143,718	176,579	(32,861)
Capital outlay	46,471	30,342	16,129
Total Supervisor of Elections	487,909	504,599	(16,690)
Elections			
Personnel services	22,046	22,046	-
Operating expenses	53,414	53,414	-
Total elections	75,460	75,460	-
Total general government	563,369	580,059	(16,690)
Excess of revenues over (under) expenditures	(562,228)	(562,204)	24
OTHER FINANCING SOURCES			
Transfers in from Board of County Commissioners	562,228	562,204	(24)
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

See notes to financial statements

COMPLIANCE SECTION

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

To the Supervisor or Elections
Taylor County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of the Taylor County Supervisor of Elections as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Taylor County Supervisor of Elections' special purpose fund financial statements, and have issued our report thereon dated April 30, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Certified Public Accountants

April 30, 2019

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

Honorable Supervisor of Elections
Taylor County, Florida

We have audited the financial statements of the Taylor County Supervisor of Elections, as of and for the year ended September 30, 2018, and have issued our report thereon dated April 30, 2019.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated April 30, 2019. Disclosures in that report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Taylor County, Florida, for the year ended September 30, 2018. The financial statements of the Supervisor of Elections are combined with other County agencies in that report.

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

Financial Condition Assessment Procedures - As required by the Rules of the Auditor General (Sections 10.554(1)(i)5.c. and 10.556(7)), we applied financial condition assessment procedures.

It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

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

CONCLUSION

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

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

POWELL & JONES

Certified Public Accountants

April 30, 2019

INDEPENDENT ACCOUNTANT'S REPORT

To The Supervisor of Elections
Taylor County, Florida

We have examined the Taylor County, Florida Supervisor of Elections' (the Supervisor) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2018. Management is responsible for the Supervisor's compliance with those requirements. Our responsibility is to express an opinion on the Supervisor's compliance based on our examination.

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

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

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

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

POWELL & JONES
Certified Public Accountants
April 30, 2019

TAX COLLECTOR

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR**

SPECIAL PURPOSE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 2018

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Powell & Jones
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Honorable Tax Collector
Taylor County, Florida

Report on the Financial Statements

We have audited the accompanying special purpose fund financial statements of the Taylor County Tax Collector (the Tax Collector), as of and for the year ended September 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion, the special purpose fund financial statements referred to above present fairly, in all material respects, the financial position of the Taylor County Tax Collector, as of September 30, 2018, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 30, 2019, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and on compliance.

Other Information

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



POWELL & JONES
Certified Public Accountants
April 30, 2019

COMBINED FINANCIAL STATEMENTS

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
COMBINED BALANCE SHEET - ALL FUNDS
September 30, 2018**

	<u>Governmental Fund</u>	<u>Fiduciary Funds</u>	
	<u>General Fund</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash	\$ 91,626	\$ 372,951	\$ 464,577
Due from individuals and receivables	-	34,688	34,688
Due from other funds	-	12,661	12,661
Total assets	<u>\$ 91,626</u>	<u>\$ 420,300</u>	<u>\$ 511,926</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Current liabilities			
Due to Board of County Commissioners	\$ 89,726	\$ -	\$ 89,726
Due to other funds	-	12,661	12,661
Due to other governmental units	-	88,504	88,504
Installments, fees and taxes payable	-	292,812	292,812
Other current liabilities	1,900	26,323	28,223
Total liabilities	<u>\$ 91,626</u>	<u>\$ 420,300</u>	<u>\$ 511,926</u>

See notes to financial statements.

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
COMBINED STATEMENT F REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2018**

REVENUES	
Charges for services	\$ 821,012
Miscellaneous	1,913
Total revenues	<u>822,925</u>
EXPENDITURES	
General government	
Current expenditures	1,030,329
Capital outlay	1,471
Total expenditures	<u>1,031,800</u>
Excess of revenues over (under) expenditures	<u>(208,875)</u>
OTHER FINANCING SOURCES (USES)	
Transfers from Board of County Commissioners	208,875
Total other financing sources (uses)	<u>208,875</u>
Net change in fund balance	-
Fund balance at beginning of year	-
Fund balance at end of year	<u><u>\$ -</u></u>

See notes to financial statements.

TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

B. Fund Accounting - Accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund entity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds utilized by the Tax Collector are as follows:

- (i) **Governmental Fund**
General Fund - The General Fund of the Tax Collector is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.
- (ii) **Fiduciary Funds**
Agency Funds - Agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments,

and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following Agency Funds are maintained by the Tax Collector:

Tax Fund Account
Tag Agency

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

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

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

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

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

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

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

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

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

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund of the Board of County Commissioners that will pay for them. The remainder of the compensated absences liability totaling \$20,071 is reported in the General Long-Term Debt Account Group of Taylor County, Florida.

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

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

NOTE 2. PENSION PLAN

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

Funding Policy - The System was employee noncontributory through June 30, 2011. Subsequently, employees are required to contribute 3% to the System. The Tax Collector is required to contribute at an actuarially determined rate. The rates at September 30, 2018, were as follows: Regular Employees 8.26%; Senior Management 24.06%; and Elected Officials 48.70%. The contribution requirements of plan members and the Tax Collector are established and may be amended by the Florida Legislature. The Tax Collector's contributions to the System for the years ending September 30, 2018, 2017, and 2016, were \$105,396, \$98,034 and \$95,463, respectively, equal to the required, contributions for each year. Full information on the System is included in Note 12 to the Taylor County, Florida Financial Report.

NOTE 3. DEPOSITS

At September 30, 2018, the carrying amount of the Tax Collector's bank deposits was \$464,577. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

NOTE 4. LEASES

The Tax Collector has various leases for office equipment and facilities with noncancelable terms. Lease expense for the 2018 fiscal year was \$2,785. The following is a schedule of commitments under these leases:

<u>Fiscal Year Ending</u>	
2019	\$ 2,288
2020	2,288
2021	2,288
2022	1,791
2023	300
Total	<u>\$ 8,955</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS

GENERAL FUND

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Charges for services				
County Officer fees				
Tax roll commissions				
Board of County Commissioners	\$ 410,000	\$ 410,000	\$ 428,559	\$ 18,559
SRWMD	16,000	16,000	15,593	(407)
Advertising	51,000	51,000	41,442	(9,558)
Advertising delinquent	-	-	13,119	13,119
Fees FWCC	10,000	10,000	6,516	(3,484)
Board of County Commissioners postage	8,000	8,000	6,564	(1,436)
DMV fees	131,231	137,267	157,055	19,788
Fees sales tax	1,560	1,560	1,560	-
Fees miscellaneous	5,000	5,000	5,126	126
Fees drivers licenses	50,000	50,000	59,878	9,878
Tax certificate fees	78,000	78,000	73,528	(4,472)
E Comm fees	1,000	1,000	3,335	2,335
Concealed weapons fees	10,000	10,000	8,737	(1,263)
Total charges for services	<u>771,791</u>	<u>777,827</u>	<u>821,012</u>	<u>43,185</u>
Miscellaneous				
Other	1,090	1,090	1,913	823
Total miscellaneous	<u>1,090</u>	<u>1,090</u>	<u>1,913</u>	<u>823</u>
Total revenues	<u>772,881</u>	<u>778,917</u>	<u>822,925</u>	<u>44,008</u>
EXPENDITURES				
General government				
Tax Collector				
Personnel services				
Executive salaries	100,368	104,309	102,309	2,000
Regular salaries	432,596	432,596	439,514	(6,918)
Special pay	22,153	22,153	18,415	3,738
FICA	42,302	42,603	40,263	2,340
Retirement	111,674	113,468	105,396	8,072
Life and health Insurance	171,000	171,000	131,393	39,607
Total personnel services	<u>880,093</u>	<u>886,129</u>	<u>837,291</u>	<u>48,838</u>

(Continued)

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
Operating expenses				
Education	\$ 3,350	\$ 3,350	\$ 398	\$ 2,952
Legal ads	48,000	48,000	47,662	338
Professional services	46,500	46,500	46,381	119
Other contractual services	26,000	26,000	28,630	(2,630)
Travel and per diem	5,079	5,079	1,933	3,146
Communications	7,600	7,600	6,383	1,217
Transportation	20,763	20,763	17,021	3,742
Rentals and leases	2,100	2,100	2,785	(685)
Insurance	750	750	664	86
Repairs and maintenance	3,760	3,760	9,576	(5,816)
Office supplies	10,000	10,000	28,916	(18,916)
Books, publications, and subscriptions	2,500	2,500	2,688	(188)
Total operating expenses	176,402	176,402	193,038	(16,636)
Capital outlay				
Equipment	-	-	1,471	(1,471)
Total expenditures	1,056,495	1,062,531	1,031,800	30,731
Excess of revenues over (under) expenditures	(283,614)	(283,614)	(208,875)	74,739
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	283,614	283,614	208,875	(74,739)
Total other financing sources (uses)	283,614	283,614	208,875	(74,739)
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

AGENCY FUNDS

**TAYLOR COUNTY, FLORIDA
TAX COLLECTOR
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended September 30, 2018**

	Balance September 30, 2017	Additions	Deductions	Balance September 30, 2018
TAX FUND ACCOUNT				
Assets				
Cash	\$ 410,996	\$ 75,614,127	\$ 75,652,172	\$ 372,951
Other receivables	-	10,071	-	10,071
Due from other funds	-	12,661	-	12,661
Total assets	\$ 410,996	\$ 75,636,859	\$ 75,652,172	\$ 395,683
Liabilities				
Advalorem taxes payable	\$ -	\$ 22,869,206	\$ 22,869,206	\$ -
Due to other funds	-	21,570	21,570	-
Due to other governmental units	40,309	88,485	40,309	88,485
Delinquent taxes and fees payable	-	314,719	311,380	3,339
Installments and taxes payable	359,796	6,423,161	6,493,484	289,473
Other current liabilities	10,891	27,501,312	27,497,817	14,386
Total liabilities	\$ 410,996	\$ 57,218,453	\$ 57,233,766	\$ 395,683
TAG AGENCY				
Assets				
Cash	\$ 309,427	\$ 10,655,663	\$ 10,965,090	\$ -
Due from individuals	31,906	2,384,833	2,392,122	24,617
Total assets	\$ 341,333	\$ 13,040,496	\$ 13,357,212	\$ 24,617
Liabilities				
Due to other funds	\$ -	\$ 12,661	\$ -	\$ 12,661
Due to other governmental units	333,605	9,888,042	10,221,628	19
Other current liabilities	7,728	2,473,405	2,469,196	11,937
Total liabilities	\$ 341,333	\$ 12,374,108	\$ 12,690,824	\$ 24,617
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 720,423	\$ 86,269,790	\$ 86,617,262	\$ 372,951
Other receivables	31,906	2,394,904	2,392,122	34,688
Due from other funds	-	12,661	-	12,661
Total assets	\$ 752,329	\$ 88,677,355	\$ 89,009,384	\$ 420,300
Liabilities				
Advalorem taxes payable	\$ -	\$ 22,869,206	\$ 22,869,206	\$ -
Due to other funds	-	34,231	21,570	12,661
Due to other governmental units	373,914	9,976,527	10,261,937	88,504
Delinquent taxes and fees payable	-	314,719	311,380	3,339
Installments and taxes payable	359,796	6,423,161	6,493,484	289,473
Other current liabilities	18,619	29,974,717	29,967,013	26,323
Total liabilities	\$ 752,329	\$ 69,592,561	\$ 69,924,590	\$ 420,300

See notes to financial statements.

COMPLIANCE SECTION

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

To the Tax Collector
Taylor County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of the Taylor County Tax Collector as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Taylor County Tax Collector's special purpose financial statements, and have issued our report thereon dated April 30, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Taylor County Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

POWELL & JONES
Certified Public Accountants
April 30, 2019

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

Honorable Tax Collector
Taylor County, Florida

We have audited the financial statements of the Taylor County Tax Collector, as of and for the year ended September 30, 2018, and have issued our report thereon dated April 30, 2019.

We have issued our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated April 30, 2019. Disclosures in that report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally our audit was conducted in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following be addressed in this letter.

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

FINANCIAL COMPLIANCE MATTERS

Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Taylor County, Florida, for the year ended September 30, 2018. The financial statements of the Tax Collector are combined with other County agencies in that report.

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

Financial Condition Assessment Procedures - As required by the Rules of the Auditor General (Sections 10.554(1)(i)5.a. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

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

CONCLUSION

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

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

POWELL & JONES

Certified Public Accountants

April 30, 2019

INDEPENDENT ACCOUNTANT'S REPORT

To The Tax Collector
Taylor County, Florida

We have examined the Taylor County, Florida's Tax Collector's (the Tax Collector) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2018. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

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

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



POWELL & JONES
Certified Public Accountants
April 30, 2019