Clay County, Florida

Audit Report

September 30, 2015

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT AUDITOR'S REPORT

The Honorable County Commissioners
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clay County, Florida (the "County") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of September 30, 2015, and the changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

We draw attention to Notes 6 and 11 to the financial statements, which indicates that the County disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and Chapter 10.550, Rules of the Auditor General, and is also not a required part of the financial statements.

The combining financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

St. Augustine, Florida
June 28, 2016

This discussion and analysis of Clay County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2015. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We hope this will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of fiscal year 2015 by $389,417,200. $363,413,438 is from Governmental activities while $26,003,762 is from Business-type activities. Of this amount $20,085,067 may be used to meet the ongoing obligations to citizens and creditors.
- The County's beginning net position for fiscal year 2015 was restated from $421,769,097 to $363,518,139 to reflect the net effect of implementing Governmental Accounting Standards Board Statements number 68 and 71, related to pensions.
- Due to the implementation of Statement 68, the County reported a liability of $53,751,278 for its proportionate share of the Florida Retirement System net pension liability.
- The County's revenues exceeded its expenses by $25,899,061 for the fiscal year.
- Outstanding long-term obligations as of September 30, 2015 were $117,493,697. Of this amount $15,185,964 is considered due within one year.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses

are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected earned revenues such as sales taxes and earned but unused vacation leave).

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

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

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
The County maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Sheriff MSTU, and Capital Improvement Projects funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

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

The County received federal and state financial assistance, generally in the form of grants. Expenditures of these grants are reported on pages 70-72.

Requirements of the Auditor General are also presented on pages 73-82.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $389,417,200 at the close of the fiscal year ended September 30, 2015.

County of Clay, Florida
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current & Other Assets	$124,215,704	$117,238,030	$26,757,002	$24,581,481	$150,972,706	$141,819,511
Capital Assets	364,952,160	358,202,067	4,379,973	4,490,915	369,332,133	362,692,982
Total Assets	489,167,864	475,440,097	31,136,975	29,072,396	520,304,839	504,512,493
Deferred Outflow of Resources	23,602,061	-	291,339	-	23,893,400	-
Noncurrent Liabilities Outstanding	113,975,671	66,196,432	3,518,026	3,158,612	117,493,697	69,355,044
Other Liabilities	11,817,272	11,720,897	1,599,155	1,667,455	13,416,427	13,388,352
Total Liabilities	125,792,943	77,917,329	5,117,181	4,826,067	130,910,124	82,743,396
Deferred inflows of Resources	23,563,544	-	307,371	-	23,870,915	-
Net Position:						
Invested in Capital Assets, net of related debt	364,952,160	343,463,643	4,379,973	4,490,915	369,332,133	347,954,558
Restricted	46,970,070	53,457,167	-	-	46,970,070	53,457,167
Unrestricted (deficit)	(48,508,792)	601,958	21,623,789	19,755,414	(26,885,003)	20,357,372
Total Net Position	$363,413,438	$397,522,768	$26,003,762	$24,246,329	$389,417,200	$421,769,097

The largest portion of the County's net position (95%) reflects its investment in capital assets such as land, buildings, infrastructure, improvements and equipment, less any outstanding debt used to acquire those capital assets. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position, $46,970,070, represents resources that are subject to external restrictions on how they may be used. The remaining balance represents a deficit in net position of $26,885,003. The deficit arose during the current year as a result of the County implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The net effect of the implementation of these standards resulted in a reduction of net position of approximately $53,700,000 at September 30, 2015.

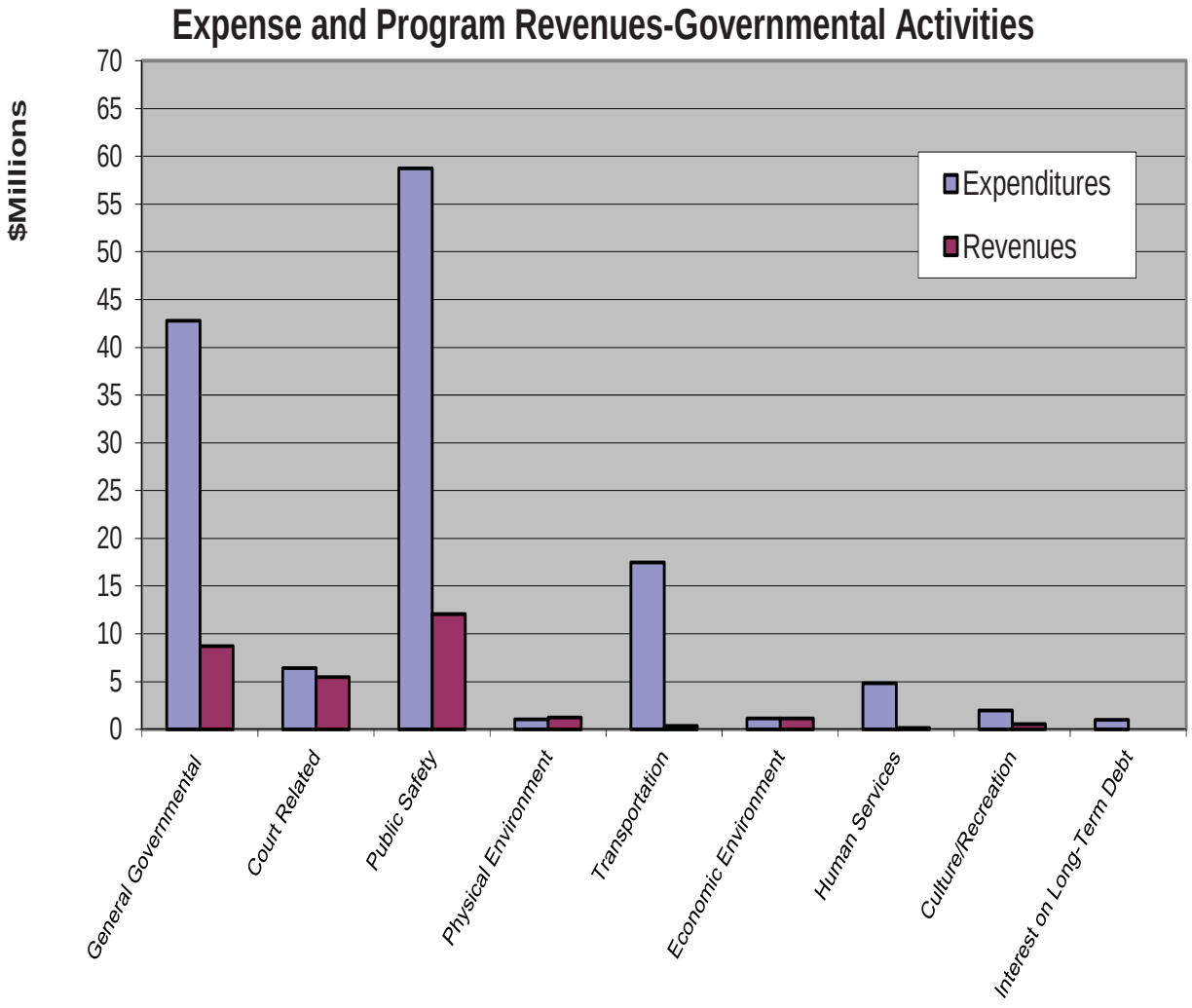
Governmental Activities

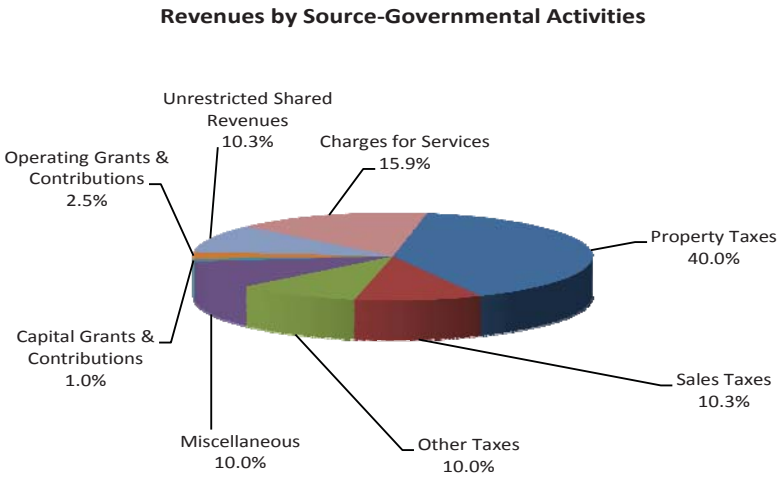
Governmental activities increased the County's net position by $23,385,762 while Business-type activities increased the County's net position by $2,513,389.

County of Clay, Florida
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	$25,367,279	$18,429,673	$19,909,903	$18,756,070	$45,277,182	$37,185,743
Operational Grants and Contributions	4,097,828	4,862,996	-	-	4,097,828	4,862,996
Capital Grants and Contributions	222,187	1,560,080	-	-	222,187	1,560,080
General Revenues:						
Property Taxes	63,969,682	59,420,147	-	-	63,969,682	59,420,147
Other Taxes	32,731,490	31,819,506	-	-	32,731,490	31,819,506
Other Revenues	32,506,641	19,597,934	28,831	1,100,940	32,535,472	20,698,874
Total Revenues	158,895,107	135,690,336	19,938,734	19,857,010	178,833,841	155,547,346
Expenses:						
General Government	42,792,085	24,854,270	-	-	42,792,085	24,854,270
Court Related	6,402,555	6,489,025	-	-	6,402,555	6,489,025
Public Safety	58,740,162	67,083,704	-	-	58,740,162	67,083,704
Physical Environment	1,019,598	1,066,358	-	-	1,019,598	1,066,358
Transportation	17,493,819	20,714,542	-	-	17,493,819	20,714,542
Economic Environment	1,135,181	1,477,628	-	-	1,135,181	1,477,628
Human Services	4,849,362	5,484,636	-	-	4,849,362	5,484,636
Culture/Recreation	1,991,413	4,291,384	-	-	1,991,413	4,291,384
Interest on Long-Term Debt	968,612	1,337,611	-	-	968,612	1,337,611
Solid Waste Disposal	-	-	8,283,327	9,272,626	8,283,327	9,272,626
Solid Waste Collection		-	9,258,666	9,273,277	9,258,666	9,273,277
Total Expenses	135,392,787	132,799,158	17,541,993	18,545,903	152,934,780	151,345,061
Change in Net Position before Transfers:	23,502,320	2,891,178	2,396,741	1,311,107	25,899,061	4,202,285
Transfers	(116,648)	(140,862)	116,648	140,862	-	-
Change in Net Position	23,385,672	2,750,316	2,513,389	1,451,969	25,899,061	4,202,285
Net Position-Beginning of Year	397,522,768	394,772,452	24,246,329	22,794,360	421,769,097	417,566,812
Restatement of Net Position	(57,495,002)	-	(755,956)	-	(58,250,958)	-
Net Position-End of Year	$363,413,438	397,522,768	$26,003,762	$24,246,329	$389,417,200	$421,769,097

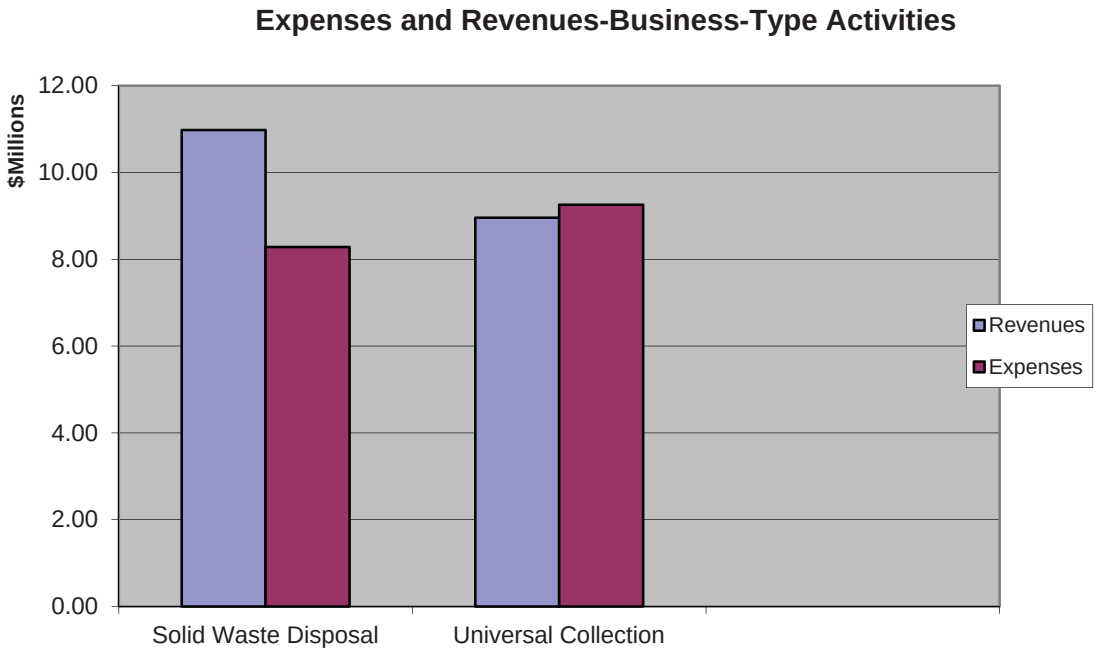
Note: Fiscal year 2015 beginning net position is restated due to the implementation of GASB 68. See note 11 to the financial statements.


Expense and Program Revenues-Governmental Activities
$Millions
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
Expenditures
Revenues
General Governmental
Court Related
Public Safety
Physical Environment
Transportation
Economic Environment
Human Services
Culture/Recreation
Interest on Long-Term Debt

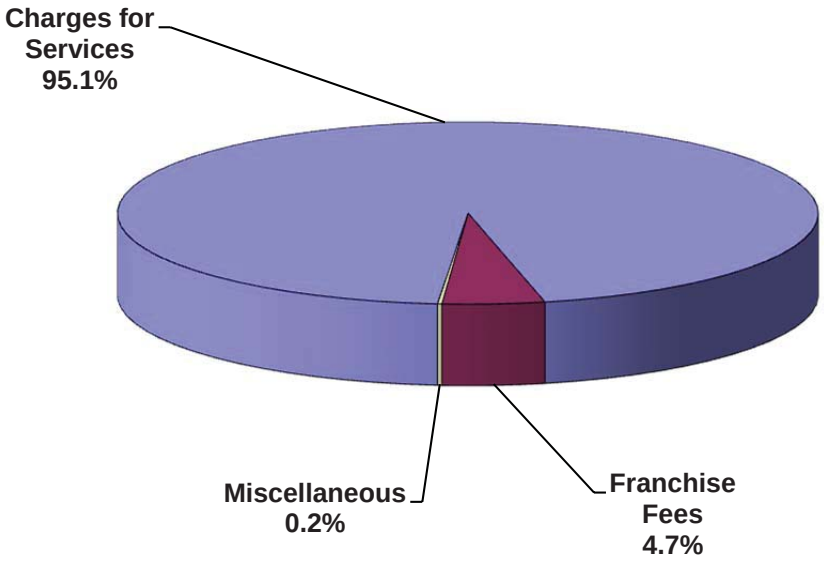


Business-type activities

Business-type activities increased the County's net position by $2,513,389, accounting for 9.7% of the total growth in the government's net position. The key elements of the increase are attributable to the Solid Waste Disposal fund which reported revenues in excess of expenses of $2,767,735. The other enterprise fund, the Solid Waste Collection fund, reported a deficit change in financial position of $254,346.



Revenues by Source-Business-Type Activities



Financial Analysis of the County's Funds

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

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

As of the end of the fiscal year 2015, the County's General fund reported an ending fund balance of $29,934,743. This is an increase of $1,534,069 from the prior year. Unassigned fund balance is $4,222,166 and is generally available for spending at the County's discretion. The remainder of fund balance is either, restricted for specific purposes, $165,649; assigned with the intent to be used for a specific purpose, $25,093,754; or considered non-spendable for inventory and prepaid items, $453,174.

The General, Sheriff MSTU, and Capital Improvement Projects funds are reported as major funds. For the fiscal year, the General fund operated with a surplus of $1,494,351; the Sheriff MSTU operated with a deficit of $42,113; and the Capital Projects fund operated with a surplus of $1,237,840.

The General fund is the chief operating fund of the County. As a measure of the General fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 4.4% of the total General fund expenditures.

The fund balance of the County's General fund increased during the fiscal year, as stated above. There were significant increases in several revenue areas over the amounts anticipated. These include State Revenue Sharing increase of $373,472; Local Government Half Cent Sales Tax of $593,757; and Ambulance Fees of $476,641. Additionally expenditures in the General Government area came in at only 93.12% of budget or $1,415,853 unspent.

The Sheriff MSTU fund has a total fund balance of $1,061,289, and operated with a $42,113 deficit for the year. A budgeted reduction in fund balance was anticipated.

The Capital Improvement Projects fund has a total fund balance of $42,486,597. The net increase in fund balance during the fiscal year was $1,237,840. This was due primarily due to the timing of the various projects. The County is currently evaluating various projects for future expenditure.

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

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

	Unrestricted Net Position	
FUND	2015	2014
Solid Waste Disposal	$20,340,462	$18,162,451
Universal Collection	1,283,327	1,592,963
Internal Service	5,687,763	4,166,015
Total	$27,311,552	$23,921,429

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

General Fund Budgetary Highlights

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

- Decrease in General Government Services of $11,610.
- Increase in Public Safety of $1,822,633.
- Increase in Physical Environment of $10,724.
- Increase in Transportation of $5,000.
- Increase in Economic Development of $6,158.
- Increase in Human Services of $26,000.
- Increase in Culture and Recreation of $6,170.
- Decrease in Court Costs of $592,880.

Significant differences between the final amended General fund budget for the fiscal year 2015 and the actual expenditures are briefly summarized as follows:

- The Sheriff's Office did not spend their entire appropriation, resulting in a savings of $1,020,448.
- Anticipated fuel price increases did not occur, resulting in a positive variance in the Fleet/Fuel Management division of $1,161,923.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2015 amounted to $369,332,133 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total increase in the County's investment in capital assets (net of depreciation and disposals) for the year was 1.8% (a net increase of $6,750,093 for governmental activities and a $110,924 net decrease for business-type activities).

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

- Construction and improvements to County roadways of $1,784,501.
- Various transportation equipment of $1,360,400, including three motor graders and a jet vacuum sewer cleaner.
- The State of Florida constructed a bridge at County Road 209 over Black Creek and donated it to Clay County. The bridge was valued at $14,384,233.
- New voting equipment for the Supervisor of Elections Office of $693,625.

County of Clay, Florida
Capital Assets
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$101,094,004	$100,272,079	$986,525	$986,525	102,080,529	$101,258,604
Buildings and Improvements	68,199,474	69,721,925	3,335,412	3,452,392	71,534,886	73,174,317
Machinery and Equipment	11,544,903	9,687,962	58,036	51,998	11,602,939	9,739,960
Infrastructure	183,889,123	176,444,069	-	-	183,889,123	176,444,069
Construction in Progress	224,656	2,076,032	-	-	224,656	2,076,032
Total	$364,952,160	$358,202,067	$4,379,973	$4,490,915	$369,332,133	$362,692,982

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

Long-term Debt

During the 2009 fiscal year the County issued $71,025,000 of revenue bonds. The Series 2009 bonds are secured by a lien upon and pledge of the discretionary sales surtax. Proceeds of the bonds are being utilized for several large road improvements in the Lake Asbury area of the County. This is the only outstanding bond issue of the County at the 2015 fiscal year end.

County of Clay, Florida
Outstanding Debt
Governmental Activities

	2015	2014
Sales Tax Revenue Bonds	$25,665,000	$33,410,000

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

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County was 4.4% for 2015. This represents a decrease of 14% from the prior year (5.1%).
- The gross taxable property values increased to $8.8 billion in fiscal year 2015, an increase of 3.5%.
- The number of building inspections performed decreased from 41,917 in fiscal year 2014 to 35,312 in fiscal year 2015. 4,164 buildings were issued certificates of occupancy during 2015 compared to 2,902 for fiscal year 2014.
- The County's population increased 5% to 201,000 over the 2014 number of 192,000.

Of the County's September 30, 2015 General fund balance of $29,934,749, $22,224,566 has been appropriated to the 2016 fiscal year to help fund 2016 activity. This amount has been included in the assigned fund balance on the 2015 financial statements along with $2,869,188 in the Fine & Forfeiture fund which is assigned for law enforcement purposes.

The 2016 ad valorem tax rate for the County remained constant at 8.101 mills.

The special assessment rates ($84 per unit) for the Solid Waste fund as well as the franchise fees were not changed for the 2016 fiscal year. The universal collection assessment fee was set at $146.40 per household, also the same as the prior year.

Request for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have any questions concerning any of the information provided in this report or need additional financial information, contact the County's Finance Director at 477 Houston Street, Green Cove Springs, Florida. Additional information concerning the County can be found on our web site http://www.claycountygov.com.

Statement of Net Position
September 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	Housing Finance Authority
Assets:				
Cash and equivalents	$ 51,485,389	$ 19,243,433	$ 70,728,822	$ 2,092,849
Investments	11,843,810	6,511,114	18,354,924	580,042
Due from other governments	5,362,428	18,664	5,381,092	-
Receivables	4,230,809	168,443	4,399,252	3,735,446
Prepaids	7,775	-	7,775	-
Inventory	467,450	-	467,450	-
Internal balances	36,089	443,856	479,945	-
Restricted investments	50,781,954	371,492	51,153,446	-
Capital assets:				
Non-depreciable	101,318,660	986,525	102,305,185	-
Depreciable, net	263,633,500	3,393,448	267,026,948	-
Total assets	489,167,864	31,136,975	520,304,839	6,408,337
Deferred outflow of resources	23,602,061	291,339	23,893,400	-
Liabilities:				
Accounts payable and accrued liabilities	6,965,883	1,363,293	8,329,176	21,274
Due to other governments	33,381	-	33,381	-
Unearned revenue	90,923	-	90,923	-
Deposits	-	235,862	235,862	-
Estimated liabilitiy for self-insurance losses	4,727,085	-	4,727,085	-
Noncurrent liabilities:				
Due within one year	15,346,326	258,237	15,604,563	-
Due in more than one year	98,629,345	3,259,789	101,889,134	-
Total liabilities	125,792,943	5,117,181	130,910,124	21,274
Deferred inflow of resources	23,563,544	307,371	23,870,915	-
Net position:				
Net investment in capital assets	364,952,160	4,379,973	369,332,133	-
Restricted:				
Public safety	8,799,416	-	8,799,416	-
Transportation	3,068,902	-	3,068,902	-
Economic environment	2,331,867	-	2,331,867	400,508
Human services	25,274	-	25,274	-
Culture and recreation	1,212,536	-	1,212,536	-
Court related	5,672,514	-	5,672,514	-
Capital projects	15,626,611	-	15,626,611	-
Debt service	8,079,590	-	8,079,590	-
Municipal services	1,987,711	-	1,987,711	-
Election grants	165,649	-	165,649	-
Unrestricted	(48,508,792)	21,623,789	(26,885,003)	5,986,555
Total net position	$ 363,413,438	$ 26,003,762	$ 389,417,200	$ 6,387,063

See accompanying notes.

Statement of Activities
Year ended September 30, 2015

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business Type Activities	Primary Government: Total	Component Unit: Housing Finance Authority
Primary government:								
Governmental activities:								
General government	$ 42,792,085	$ 8,621,498	$ 85,648	$ -	$ (34,084,939)	$ -	$ (34,084,939)	$ -
Public safety	58,740,162	9,618,636	2,453,915	-	(46,667,611)	-	(46,667,611)	-
Physical environment	1,019,598	1,181,978	35,244	-	197,624	-	197,624	-
Transportation	17,493,819	147,685	-	222,187	(17,123,947)	-	(17,123,947)	-
Economic environment	1,135,181	590,018	558,091	-	12,928	-	12,928	-
Human services	4,849,362	120,931	18,773	-	(4,709,658)	-	(4,709,658)	-
Culture and recreation	1,991,413	180,220	386,524	-	(1,424,669)	-	(1,424,669)	-
Court related	6,402,555	4,906,313	559,633	-	(936,609)	-	(936,609)	-
Interest on long-term debt	968,612	-	-	-	(968,612)	-	(968,612)	-
Total governmental activities	135,392,787	25,367,279	4,097,828	222,187	(105,705,493)	-	(105,705,493)	-
Business-type activities:								
Solid waste disposal	8,283,327	10,952,787	-	-	-	2,669,460	2,669,460	-
Solid waste collections	9,258,666	8,957,116	-	-	-	(301,550)	(301,550)	-
Total business-type activities	17,541,993	19,909,903	-	-	-	2,367,910	2,367,910	-
Total primary government	$ 152,934,780	$ 45,277,182	$ 4,097,828	$ 222,187	(105,705,493)	2,367,910	(103,337,583)	-
Component unit:								
Housing Finance Authority	$ 328,079	$ 336,923	$ -	$ -	-	-	-	8,844
		General revenues:						
		Property taxes			63,969,682	-	63,969,682	-
		Utility service tax			3,915,622	-	3,915,622	-
		Discretionary sales taxes			16,480,100	-	16,480,100	-
		Gas taxes			5,982,364	-	5,982,364	-
		Communications service tax			6,348,358	-	6,348,358	-
		Other taxes			5,046	-	5,046	-
		Unrestricted shared revenues			16,370,959	-	16,370,959	-
		Miscellaneous			16,135,682	28,831	16,164,513	23,876
		Transfers			(116,648)	116,648	-	-
		Total general revenues and transfers			129,091,165	145,479	129,236,644	23,876
		Change in net position			23,385,672	2,513,389	25,899,061	32,720
		Net position – beginning of year, as restated			340,027,766	23,490,373	363,518,139	6,354,343
		Net position – end of year			$ 363,413,438	$ 26,003,762	$ 389,417,200	$ 6,387,063

See accompanying notes.

Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	Capital Improvement Projects	Sheriff MSTU	Other Govern-mental Funds	Total Govern-mental Funds
Assets:					
Cash and equivalents	$ 23,250,287	$ 9,563,859	$ 711,625	$ 12,688,607	$ 46,214,378
Investments	8,159,723	31,555,100	34,081	19,192,578	58,941,482
Due from other funds	746,210	-	315,377	842,445	1,904,032
Due from other governments	2,423,837	1,791,027	-	1,147,564	5,362,428
Receivables, net	4,074,044	5,424	206	65,409	4,145,083
Prepaid costs	3,123	-	-	4,652	7,775
Inventory	450,051	-	-	17,399	467,450
Total assets	$ 39,107,275	$ 42,915,410	$ 1,061,289	$ 33,958,654	$ 117,042,628
Liabilities:					
Accounts payable and accrued liabilities	$ 4,973,955	$ 428,813	$ -	$ 1,452,148	$ 6,854,916
Due to other funds	667,929	-	-	1,204,810	1,872,739
Due to other governments	24,449	-	-	8,932	33,381
Unearned revenue	29,587	-	-	61,336	90,923
Total liabilities	5,695,920	428,813	-	2,727,226	8,851,959
Deferred inflows:					
Unavailable revenue	3,476,612	-	-	72,758	3,549,370
Fund balances:					
Nonspendable:					
Prepaids	3,123	-	-	4,652	7,775
Inventory	450,051	-	-	17,399	467,450
Restricted	165,649	42,486,597	1,061,289	31,136,619	74,850,154
Assigned	25,093,754	-	-	-	25,093,754
Unassigned	4,222,166	-	-	-	4,222,166
Total fund balances	29,934,743	42,486,597	1,061,289	31,158,670	104,641,299
Total liabilities, deferred inflows and fund balances	$ 39,107,275	$ 42,915,410	$ 1,061,289	$ 33,958,654	$ 117,042,628

See accompanying notes.

Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2015

Fund balances – total governmental funds	$ 104,641,299
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital assets – net	364,952,160
Long-term liabilities are not reported in the governmental funds.	
Bonds payable	(25,665,000)
Original issue premium	(2,237,136)
Medicaid note payable	(161,834)
Compensated absences	(12,237,423)
Net pension liability	(53,751,278)
Net OPEB obligation	(19,923,000)
The estimated liability for self-insured workers' compensation is not accrued in the governmental funds.	(1,480,000)
Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements.	3,549,370
Deferred outflows related to pensions are not reported in governmental funds	23,602,061
Deferred inflows related to pensions are not reported in governmental funds	(23,563,544)
Net postion of the Internal Service Fund is reported in governmental activities but not in the governmental funds.	5,687,763
Net position of governmental activities	$ 363,413,438

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2015

	General Fund	Capital Improvement Projects	Sheriff MSTU	Other Govern-mental Funds	Total Govern-mental Funds
Revenues:					
Taxes	$ 52,941,736	$ 16,480,100	$ 16,659,931	$ 10,244,027	$ 96,325,794
Licenses and permits	11,186	-	-	2,678,556	2,689,742
Intergovernmental	18,879,264	52,300	-	5,624,114	24,555,678
Charges for services	9,106,351	-	-	4,822,931	13,929,282
Fines and forfeitures	19,539	-	-	1,232,302	1,251,841
Miscellaneous	1,569,909	105,498	43,173	936,196	2,654,776
Total revenues	82,527,985	16,637,898	16,703,104	25,538,126	141,407,113
Expenditures:					
Current:					
General government	21,071,844	-	-	847,227	21,919,071
Public safety	60,554,727	-	1,981,275	7,934,722	70,470,724
Physical environment	424,181	-	-	890,054	1,314,235
Transportation	2,248,747	-	-	8,103,435	10,352,182
Economic environment	126,671	-	-	1,093,784	1,220,455
Human services	5,147,917	-	-	440,543	5,588,460
Culture and recreation	4,110,085	-	-	187,086	4,297,171
Court related	1,351,197	-	-	4,994,893	6,346,090
Capital outlay	-	5,940,733	-	-	5,940,733
Debt service:					
Principal retirement	-	-	-	7,745,000	7,745,000
Interest and fiscal charges	-	-	-	1,714,325	1,714,325
Total expenditures	95,035,369	5,940,733	1,981,275	33,951,069	136,908,446
Excess of revenues over (under) expenditures	(12,507,384)	10,697,165	14,721,829	(8,412,943)	4,498,667
Other financing sources (uses):					
Transfers in	15,214,020	-	316,449	11,726,426	27,256,895
Transfers out	(1,212,285)	(9,459,325)	(15,080,391)	(1,621,542)	(27,373,543)
Total other financing sources (uses)	14,001,735	(9,459,325)	(14,763,942)	10,104,884	(116,648)
Net change in fund balances	1,494,351	1,237,840	(42,113)	1,691,941	4,382,019
Fund balances – beginning of year	28,400,674	41,248,757	1,103,402	29,463,696	100,216,529
Change in prepaids	(3,869)	-	-	(55)	(3,924)
Change in inventory	43,587	-	-	3,088	46,675
Fund balances – end of year	$ 29,934,743	$ 42,486,597	$ 1,061,289	$ 31,158,670	$ 104,641,299

See accompanying notes.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
Year ended September 30, 2015

Net change in fund balances – total governmental funds	$ 4,382,019
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.	
Acquisitions of capital assets	22,653,433
Current year depreciation expense	(15,880,080)
Loss on disposition of capital assets	(23,260)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources, but neither transaction has any effect on net assets. Also, governmental funds report the effect of discounts, premiums, and other similar items when debt is first issued, whereas these amounts are deferred and amortized over the term of the debt in the statement of actvities.	
Principal payments	7,745,000
Amortization of bond premium	745,713
Decrease in Medicaid note payable	80,917
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	(626,591)
OPEB expense	(1,973,000)
Net pension benefit resulting from changes in net pension liability, deferred outflows and inflows	3,782,241
Self-insured workers' compensation	(605,000)
Revenue earned but not available for use in current operations is not reported as revenue recognized and is deferred in the fund financial statements.	1,539,781
Change in net position of the Internal Service Fund is reported in the statement of activities, but not in the governmental funds.	1,521,748
Acquisitions of inventory and prepaid items under the purchases method in the governmental funds are treated as expenditures when purchased:	
Change in inventory and prepaids	42,751
Change in net position of governmental activities	$ 23,385,672

See accompanying notes.

Statement of Net Position – Proprietary Funds
September 30, 2015

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal	Universal Collection Fund	Total	Internal Service Fund
Assets:				
Current assets:				
Cash and equivalents	$ 17,857,866	$ 1,385,567	$ 19,243,433	$ 5,271,013
Investments	5,943,327	567,787	6,511,114	3,684,282
Receivables, net	168,251	192	168,443	85,725
Due from other governments	18,664	-	18,664	-
Due from other funds	313,823	130,041	443,864	4,796
Total current assets	24,301,931	2,083,587	26,385,518	9,045,816
Noncurrent assets:				
Restricted investments	371,492	-	371,492	-
Capital assets, net	4,379,973	-	4,379,973	-
Total noncurrent assets	4,751,465	-	4,751,465	-
Total assets	29,053,396	2,083,587	31,136,983	9,045,816
Deferred outflow of resources	270,031	21,308	291,339	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	614,589	748,704	1,363,293	110,968
Due to other funds	8	-	8	-
Deposits	235,862	-	235,862	-
Estimated liability for self-insured losses	-	-	-	3,247,085
Current portion of long-term liabilities	257,576	661	258,237	-
Total current liabilities	1,108,035	749,365	1,857,400	3,358,053
Noncurrent liabilities:				
Long-term liabilities	3,210,067	49,722	3,259,789	-
Total liabilities	4,318,102	799,087	5,117,189	3,358,053
Deferred inflow of resources	284,890	22,481	307,371	-
Net position:				
Net investment in capital assets	4,379,973	-	4,379,973	-
Unrestricted	20,340,462	1,283,327	21,623,789	5,687,763
Total net position	$ 24,720,435	$ 1,283,327	$ 26,003,762	$ 5,687,763

See accompanying notes.

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended September 30, 2015

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal	Universal Collection Fund	Total	Internal Service Fund
Operating revenues				
Charges for services	$ 9,551,706	$ 8,957,116	$ 18,508,822	$ 15,807,684
Sales	457,830	-	457,830	-
Total operating revenues	10,009,536	8,957,116	18,966,652	15,807,684
Operating expenses				
Personal services	1,290,381	107,585	1,397,966	-
Contracted services	-	8,942,076	8,942,076	-
Other operating expenses	6,853,390	209,005	7,062,395	1,296,216
Depreciation	139,556	-	139,556	-
Claims expense	-	-	-	12,998,232
Total operating expenses	8,283,327	9,258,666	17,541,993	14,294,448
Operating income (loss)	1,726,209	(301,550)	1,424,659	1,513,236
Nonoperating revenue (expenses)				
Investment revenue	26,199	2,632	28,831	8,512
Franchise fees	943,251	-	943,251	-
Total nonoperating revenues	969,450	2,632	972,082	8,512
Income (loss) before transfers	2,695,659	(298,918)	2,396,741	1,521,748
Transfers in	72,076	44,572	116,648	-
Change in net position	2,767,735	(254,346)	2,513,389	1,521,748
Total net position, beginning of year, as restated	21,952,700	1,537,673	23,490,373	4,166,015
Total net position, end of year	$ 24,720,435	$ 1,283,327	$ 26,003,762	$ 5,687,763

See accompanying notes.

Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2015

	Business Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Disposal	Universal Collection Fund	Total	Internal Service Fund
Cash flows from operating activities				
Receipts from customers	$ 10,010,608	$ 8,957,184	$ 18,967,792	$ 15,717,732
Payments to suppliers	(7,274,756)	(9,134,736)	(16,409,492)	(14,022,872)
Payments to employees	(1,335,057)	(111,319)	(1,446,376)	-
Net cash provided(used) by operating activities	1,400,795	(288,871)	1,111,924	1,694,860
Cash flows from noncapital financing activities				
Transfers in	66,086	85,829	151,915	-
Franchise fees received	943,251	-	943,251	-
Net cash provided by noncapital financing activities	1,009,337	85,829	1,095,166	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(28,614)	-	(28,614)	-
Cash flows from investing activities				
Purchase of investments	(12,184)	-	(12,184)	(7,068)
Sale on investments	-	498,737	498,737	-
Interest received	26,199	2,632	28,831	8,512
Net cash provided by investing activities	14,015	501,369	515,384	1,444
Net increases in cash and cash equivalents	2,395,533	298,327	2,693,860	1,696,304
Cash and cash equivalents, beginning of year	15,462,333	1,087,240	16,549,573	3,574,709
Cash and cash equivalents, end of year	$ 17,857,866	$ 1,385,567	$ 19,243,433	$ 5,271,013
Reconciliation of operating income(loss) to net cash provided(used) by operating activities:				
Operating income(loss)	$ 1,726,209	$ (301,550)	$ 1,424,659	$ 1,513,236
Depreciation	139,556	-	139,556	-
Changes in assets and liabilities:				
Accounts receivable	2,146	68	2,214	(85,156)
Due from other governments	(5,695)	-	(5,695)	-
Deferred outflows	(207,479)	(16,371)	(223,850)	-
Interfund activity - Internal service	-	-	-	(4,882)
Accounts payable and accrued liabilities	(89,266)	16,345	(72,921)	(47,729)
Deposits	4,621	-	4,621	-
Compensated absences	2,639	-	2,639	-
Net pension liability	241,656	19,068	260,724	-
Landfill postclosure costs	(332,100)	-	(332,100)	-
Estimated liability for self-insured losses	-	-	-	319,391
Deferred inflows	(81,492)	(6,431)	(87,923)	-
Net cash provided (used) by operating activities	$ 1,400,795	$ (288,871)	$ 1,111,924	$ 1,694,860

See accompanying notes.

Statement of Fiduciary Net Position
September 30, 2015

	Agency Funds
Assets:	
Cash and equivalents	$ 9,066,853
Receivables	94,656
Due from other funds	85
Total assets	9,161,594
Liabilities:	
Assets held for others	8,681,564
Due to other funds	480,030
Total liabilities	9,161,594
Net position	$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fiduciary fund type:

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

Cash Equivalents

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

Investments

Investments are reported at fair value, with the exception of investments in 2a-7 like funds which are reported at amortized costs which approximates fair value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Inventory and Prepaid Items

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

Accounts Receivable

Accounts receivable of the County are reported net of an allowance for uncollectible accounts of approximately $2,500,000.

Receivables for the discretely presented component unit are reported net of an allowance for uncollectible accounts of approximately $162,000.

Capital Assets

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Amortization

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

Capitalization of Interest Costs

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

Unearned Revenue

Unearned revenue is reported when the County receives cash payments prior to satisfying all of the eligibility requirements necessary to recognize these payments as revenue. Unearned revenue is reported as a liability in both the fund and government wide financial statements.

Compensated Absences

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

Operating Revenues and Expenses

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

Restricted Net Position

In the accompanying statements of Net Position, *restricted Net Position* is subject to restrictions beyond the County's control. The restriction is either externally imposed (for instance, by creditors, grantors, contributors, or laws/regulations of other governments) or is imposed by law through constitutional

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

provisions or enabling legislation. It is the practice of the County to utilize restricted assets before unrestricted assets.

The accompanying Statement of Net Position includes approximately $400,000 of Net Position restricted by enabling legislation.

Fund Balance

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

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

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

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

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

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

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

When the components of fund balance can be used for the same purpose, it is the County's policy to expend resources in the following order: restricted, committed, assigned, and unassigned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

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

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

Use of Estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

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

Investments

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

HFA's investment policy allows it to invest excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes and in mortgage backed securities which HFA may receive as a result of refunding one of their bond programs. The mortgage backed securities have an average maturity of 17 years and are reported at fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

The County's investments at September 30, 2015 are summarized in the following table:

Fund	Amount	S & P Rating
Florida PRIME	$ 68,828,203	AAAm
Florida SAFE	575,048	AAAm
Florida Local Government Investment Trust	105,119	AAAf
Total	$ 69,508,370	

HFA's investments at September 30, 2015 are summarized in the following table:

Investment	Amount	S & P Rating
Certificates of Deposit	$ 452,935	Unrated
Mortgage backed securities	127,107	AAA
Total	$ 580,042	

State Pool – The County invests temporarily idle resources in the Local Government Investment Pool ("State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight.

The State pool has adopted operating procedures consistent with the requirements for a 2a7-like fund. The County's investment in the State pool is stated at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares.

Florida SAFE – The Florida Surplus Asset Fund Trust ("Florida SAFE") was established under authority of, and in conformity with, Section 163.01, Florida Statutes. Florida SAFE was formed by and for Florida local governmental entities as a means of investing funds. Florida SAFE operates as a liquid money market fund with each share equal in value to $1. It is reported at fair value. The State of Florida provides regulatory oversight over Florida SAFE which is not a registrant with the U.S. Securities and Exchange Commission.

Pursuant to its investment policy, Florida SAFE may invest in direct obligations of the U.S. Treasury, obligations backed by the full faith and credit of the U.S. government, obligations of agencies and instrumentalities of the U.S. government rated in the highest rating category by a nationally recognized rating agency, certificates of deposit and other evidences of deposit with approved financial institutions, bankers' acceptances rated in the highest rating tier by a nationally recognized rating agency, commercial paper and other corporate obligations rated in the highest rating tier by a nationally recognized rating agency, obligations of state and local governments and public authorities rated in the two highest rating tiers by a nationally recognized rating agency, money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

consist only of dollar-denominated securities, repurchase agreements whose underlying purchased securities consist of investment listed above and any other investment authorized under Section 218.415(16), Florida Statutes. The maximum maturity allowed for any investment is 397 days.

FLGIT– The Clerk of the Circuit Court invests temporarily idle resources in the Florida Local Government Investment Trust ("FLGIT"). The FLGIT is an external investment pool administered by the Florida Association of Court Clerks and Comptrollers, and is not registered with the SEC. It is an open-ended professionally managed fund available only to public entities in Florida and invests in short to intermediate term securities. The County's investment in the FLGIT is reported at fair value. The fair value of the position in the FLGIT is equal to the value of the pool shares. At September 30, 2015, the FLGIT's average maturity was 1.53 years.

Investment Risks

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

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

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

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

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

NOTE 3 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2015, interfund balances consisted of:

	Due to							
	General Fund	Sheriff MSTU	Solid Waste Disposal	Universal Disposal	Internal Service	Agency Funds	Nonmajor Governmental	Total Due from
Due from								
General fund	$ -	$202,447	$ 313,209	$129,339	$ 4,796	$ 85	$ 18,053	$ 667,929
Solid Waste Disposal	8	-	-	-	-	-	-	8
Agency Funds	145,424	90,776	614	702	-	-	242,514	480,030
Nonmajor Funds	600,778	22,154	-	-	-	-	581,878	1,204,810
Total Due to	$ 746,210	$315,377	$ 313,823	$130,041	$ 4,796	$ 85	$ 842,445	$ 2,352,777

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

NOTE 3 – INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Interfund transfers are summarized below:

	Transfer Out				
	General Fund	Sheriff MSTU	Capital Improvement Projects	Nonmajor Governmental	Total Transfer In
Transfer in					
General fund	$ -	$ 15,080,391	$ -	$ 133,629	$ 15,214,020
Sheriff MSTU	316,449	-	-	-	316,449
Nonmajor governmental	779,188	-	9,459,325	1,487,913	11,726,426
Solid waste disposal	72,076	-	-	-	72,076
Universal collection	44,572	-	-	-	44,572
Total transfer out	$ 1,212,285	$ 15,080,391	$ 9,459,325	$ 1,621,542	$ 27,373,543

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

NOTE 4 – FUND BALANCE CLASSIFICATIONS

Fund balance is restricted for the following purposes:

	General Fund	Sheriff MSTU	Capital Improvement Projects	Other Governmental Funds	Total
Capital projects	$ -	$ -	$ 42,486,597	$ 1,042,150	$ 43,528,747
Debt service	-	-	-	8,079,589	8,079,589
Public safety	-	1,061,289	-	7,720,728	8,782,017
Transportation	-	-	-	3,068,902	3,068,902
Economic environment	-	-	-	2,331,867	2,331,867
Human services	-	-	-	25,274	25,274
Culture and recreation	-	-	-	1,212,536	1,212,536
Court costs	-	-	-	5,667,862	5,667,862
Municipal services	-	-	-	1,987,711	1,987,711
Election grants	165,649	-	-	-	165,649
Total restricted fund balance	$ 165,649	$ 1,061,289	$ 42,486,597	$ 31,136,619	$ 74,850,154

In the General Fund, fund balance of $22,224,566 is assigned for subsequent year's expenditures of the Board of County Commissioners and $2,869,188 is assigned for public safety-law enforcement.

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital assets follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 100,272,079	$ 821,925	$ -	$ 101,094,004
Construction in progress	2,076,032	416,121	2,267,497	224,656
Total capital assets not being depreciated	102,348,111	1,238,046	2,267,497	101,318,660
Capital assets being depreciated:				
Buildings and improvements	103,098,848	1,046,037	-	104,144,885
Machinery and equipment	60,757,401	5,811,519	4,622,628	61,946,292
Infrastructure	266,433,852	16,825,328	-	283,259,180
Total capital assets being depreciated	430,290,101	23,682,884	4,622,628	449,350,357
Less accumulated depreciation for:				
Buildings and improvements	33,376,923	2,568,488	-	35,945,411
Machinery and equipment	51,069,439	3,931,318	4,599,368	50,401,389
Infrastructure	89,989,783	9,380,274	-	99,370,057
Total accumulated depreciation	174,436,145	15,880,080	4,599,368	185,716,857
Total capital assets being depreciated, net	255,853,956	7,802,804	23,260	263,633,500
Total governmental activities, net	$ 358,202,067	$ 9,040,850	$ 2,290,757	$ 364,952,160

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 986,525	$ -	$ -	$ 986,525
Capital assets being depreciated:				
Buildings and improvements	5,580,994	-	-	5,580,994
Machinery and equipment	1,440,025	28,614	76,011	1,392,628
Total capital assets being depreciated	7,021,019	28,614	76,011	6,973,622
Less accumulated depreciation for:				
Buildings and improvements	2,128,602	116,980	-	2,245,582
Machinery and equipment	1,388,027	22,576	76,011	1,334,592
Total accumulated depreciation	3,516,629	139,556	76,011	3,580,174
Total capital assets being depreciated, net	3,504,390	(110,942)	-	3,393,448
Total business-type activities, net	$ 4,490,915	$ (110,942)	$ -	$ 4,379,973

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

Governmental activities:	
General government	$ 2,830,136
Public safety	3,071,263
Transportation	9,788,347
Human services	44,377
Culture and recreation	37,225
Court costs	108,732
Total depreciation expense	$ 15,880,080
Business-type activities:	
Solid waste	$ 139,556

NOTE 6 – LONG-TERM LIABILITIES

	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2009 Infrastructure sales surtax revenue bonds	$ 33,410,000	$ -	$ 7,745,000	$ 25,665,000	$ 8,135,000
Original issue premium	2,982,849	-	745,713	2,237,136	-
Total bonds payable	36,392,849	-	8,490,713	27,902,136	8,135,000
Medicaid note payable	242,751	-	80,917	161,834	80,917
Compensated absences	11,610,832	6,572,281	5,945,690	12,237,423	6,433,800
Net pension liability	33,288,410	20,462,868	-	53,751,278	278,010
Net OPEB obligation	17,950,000	1,973,000	-	19,923,000	-
Governmental activity long-term liabilities	$ 99,484,842	$ 29,008,149	$ 14,517,320	$ 113,975,671	$ 14,927,727
Business-type activities:					
Compensated absences	$ 339,812	$ 24,640	$ 22,000	342,452	$ 21,248
Net pension liability	428,151	260,724	-	688,874	9,191
Landfill postclosure care costs	2,818,800	-	332,100	2,486,700	227,798
Business-type activity long-term liabilities	$ 3,586,763	$ 285,364	$ 354,100	$ 3,518,026	$ 258,237

Change in accounting principle

During 2015, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above.

Bonds Payable

A brief synopsis of bonds payable follows:

$71,025,000 – 2009 Infrastructure Sales Surtax Revenue Bonds for capital projects within the County. Due in annual installments varying from $3,965,000 to $8,990,000, plus interest varying from 4.00% to 5.25% through October 1, 2018. The revenues of the discretionary sales surtax are pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of $28,384,375. During 2015, $16,480,100 of sales surtax was recognized and $9,463,324 was paid for debt service.	$ 25,665,000

NOTE 6 – LONG-TERM LIABILITIES (CONTINUED)

The annual requirements to amortize bonds payable as of September 30, 2015, are as follows:

Year Ending September 30,	Principal	Interest	Total
2016	$ 8,135,000	$ 1,327,075	$ 9,462,075
2017	8,540,000	920,325	9,460,325
2018	8,990,000	471,975	9,461,975
Total	$ 25,665,000	$ 2,719,375	$ 28,384,375

Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closures. Although postclosure care costs will be paid only near the end or after the date landfills stop accepting waste, the County reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each financial statement date. As of September 30, 2015, each of the County landfill sites have reached full capacity. The $2,486,700 reported as landfill postclosure care liability at September 30, 2015, represents the estimated remaining obligation for postclosure care costs for the landfill sites. Actual costs may differ due to inflation, deflation, technology, or changes in applicable laws or regulations. The estimate for post closure care costs is updated annually.

The County has restricted resources in the amount of $371,492 to provide for this liability in accordance with the regulations of the Florida Department of Environmental Protection

NOTE 7 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency,

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

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

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

The County's contributions for the year ended September 30, 2015, were $6,827,284 to the FRS and $790,040 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the County reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 35,215,863	$ 19,224,289
Proportion at:		
Current measurement date	0.2726%	0.1885%
Prior measurement date	0.2671%	0.1863%
Pension expense (benefit)	$ 2,343,667	$ 1,440,308

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,717,752	$ 835,212	$ -	$ -
Changes of assumptions	2,337,395	-	1,512,450	-
Net difference between projected and actual earnings on pension plan investments	12,404,003	20,812,964	10,407	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,458,821	2,069,963	222,648	152,776
Employer contributions subsequent to the measurement date	1,967,076	-	262,848	-
Total	$ 21,885,047	$ 23,718,139	$ 2,008,353	$ 152,776

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2016	$ (1,232,656)	$ 257,816
2017	(1,232,656)	257,816
2018	(1,232,656)	257,816
2019	(1,232,657)	257,812
2020	869,581	255,211
Thereafter	260,876	306,258
Total	$ (3,800,168)	$ 1,592,729

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 91,252,269	$ 35,215,863	$ (11,415,629)	$ 21,905,182	$ 19,224,289	$16,988,826

NOTE 7 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $1,702,288.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

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

The life insurance benefit is provided at no charge to retirees. Eligible retired employees who retired prior to October 1, 1998 receive a decreasing amount of coverage based upon age. Retirees under the age of 65 receive the maximum $10,000 of coverage decreasing to $1,500 of coverage after age 79. Eligible employees who retired between October 1, 1998 and October 1, 1999 receive a fixed coverage amount of $10,000. Eligible employees who retired after October 1, 1999 receive a fixed coverage amount of $20,000.

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

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

As of October 1, 2013, the date of the latest actuarial valuation, plan participation consisted of 1,221 active employees and 351 retirees receiving benefits. Of the active employees, approximately 1,071 are not yet eligible to receive benefits.

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

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN – (CONTINUED)

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The annual cost (expense) of the County's OPEB Plan is calculated based on the Annual Required Contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB Plan cost for the year, the amount actually contributed by the County, and the changes in the net OPEB Plan obligation as reported in the Governmental Activities:

Annual required contribution	$ 3,167,000
Interest on net OPEB obligation	718,000
Adjustments to ARC	(762,000)
Annual OPEB cost (expense)	3,123,000
Contributions made	(1,150,000)
Increase in net OPEB obligation	1,973,000
Net OPEB obligation - beginning of year	17,950,000
Net OPEB obligation - end of year	$ 19,923,000

Trend Information:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
2015	$ 3,123,000	$ 1,150,000	36.82%	$ 19,923,000
2014	2,952,000	1,029,000	34.86%	17,950,000
2013	2,457,000	848,000	34.51%	16,027,000

Actuarial Methods and Assumptions

Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFIT PLAN – (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial methods are:

Actuarial cost method	Projected unit credit
Amortization method	Level percent of projected payroll
Amortization period (closed)	27 years
Asset valuation method	N/A

The actuarial assumptions are:

Investment rate of return	4.0%
Projected annual salaries increase	3.5%
Inflation rate	2.8%
Mortality	RP-2000 Fully Generational Combined Healthy Table
Healthcare cost trend rate	8% initial year; decreasing gradually until reaching ultimate trend rate of 4.3%

Funded Status and Funding Progress

The OPEB contributions made for the 2015 fiscal year were 38.6% of the annual OPEB cost. As of the actuarial valuation report dated October 1, 2013, the actuarial value of assets was $0, the actuarial accrued liability for benefits was $32.5 million, the unfunded actuarial accrued liability (UAAL) was also $32.5 million, the funded ratio was 0%, the covered payroll was approximately $60 million.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 9 – RISK MANAGEMENT

Commercial Insurance

The County carries commercial insurance for certain risks, including health insurance. There were no significant reductions in insurance coverage during 2015. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Self-Insurance – Workers' Compensation

The County has a self-insurance program for its workers' compensation insurance. The activities of the self-insurance program are administered by a third party and are accounted for in the County's General Fund. The County has purchased commercial stop loss insurance which caps the County's liability at $500,000 per claim

In the government-wide financial statements, the County has reported an estimated liability for self-insured losses of $1,480,000. The estimated liability for self-insured losses is based on reported claims, historical loss data, industry statistics for incurred but not reported claims, and a valuation performed by an independent consultant.

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

Year Ended	Beginning of Year Liability	Claims Incurred	Claims Paid	End of Year Liability
2013	$ 214,000	$ 947,500	$ 1,036,600	$ 124,900
2014	124,900	1,306,100	556,000	875,000
2015	875,000	1,433,500	828,500	1,480,000

Self-Insurance – Workers' Compensation

The County is exposed to various risks of loss related to employee health, and short-term disability claims for which it is self-insured. An excess coverage insurance policy covers claims in excess of $200,000.

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

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

NOTE 9 – RISK MANAGEMENT (CONTINUED)

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

Year Ended	Beginning of Year Liability	Claims Incurred	Claims Paid	End of Year Liability
2013	$ 3,418,188	$ 11,830,048	$ 11,505,909	$ 3,742,327
2014	3,742,327	11,541,215	12,355,848	2,927,694
2015	2,927,694	12,998,232	12,678,841	3,247,085

NOTE 10 – OPERATING LEASES

The County has executed several leases that are classified as operating leases. The total cost for 2015 was approximately $402,516.

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

Year Ending September 30,	Amount
2016	$ 389,669
2017	367,588
2018	275,846
2019	244,156
2020	134,753
Thereafter	86,658
Total	$ 1,498,670

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE

The County restated the beginning net position of the governmental activities, business type activities, and various enterprise funds to implement the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The restatements are as follows:

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

	Governmental Activities	Business-Type Activities	Solid Waste Disposal Fund	Universal Collection Fund
Net position - beginning of year, as previously reported	$ 397,522,768	$ 24,246,329	$ 22,653,366	$ 1,592,963
Restatement:				
Net pension liability	(33,288,410)	(428,151)	(396,836)	(31,315)
Deferred outflow for contributions made subsequent to the measurement date	1,956,092	24,418	22,631	1,787
Deferred outflow other than contributions made subsequent to the measurement date	4,360,792	43,071	39,921	3,150
Deferred inflow	(30,523,476)	(395,294)	(366,382)	(28,912)
Net position - beginning of year, as restated	$ 340,027,766	$ 23,490,373	$ 21,952,700	$ 1,537,673

NOTE 12 – CONTINGENT LIABILITIES

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

NOTE 13 – FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued statements that will become effective in 2016. The statements address:

- Fair value measurement and application; and
- GAAP hierarchy.

The County is currently evaluating the effects that these statements will have on its 2016 financial statements.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes	$ 50,143,763	$ 50,143,174	$ 52,941,736	$ 2,798,562
Licenses and permits	-	-	11,186	11,186
Intergovernmental	17,102,132	18,273,689	18,879,264	605,575
Charges for services	9,203,265	6,998,703	9,106,351	2,107,648
Fines and forfeitures	-	1,400	19,539	18,139
Miscellaneous	100,000	1,909,210	1,569,909	(339,301)
Total revenues	76,549,160	77,326,176	82,527,985	5,201,809
Expenditures:				
Current:				
County commissioners	612,895	612,895	558,942	53,953
County manager	462,914	457,914	440,844	17,070
Human resources	242,701	242,701	228,037	14,664
Risk manager	2,858,627	2,858,627	2,769,670	88,957
MIS department	1,937,560	1,937,560	1,878,486	59,074
Health department	914,462	914,462	909,269	5,193
County auditor	131,082	131,082	128,919	2,163
County comptroller	1,434,165	1,434,165	1,328,304	105,861
Budget director	210,780	202,780	183,498	19,282
Purchasing	348,611	348,611	342,162	6,449
County attorney	651,874	696,874	665,868	31,006
Sheriff	42,221,282	42,327,973	41,307,525	1,020,448
Property appraiser	2,930,052	2,888,267	2,809,963	78,304
Tax collector	4,486,256	4,486,720	4,347,947	138,773
Board of tax adjustment	66,000	70,835	67,376	3,459
Clerk of court	2,221,709	2,221,709	1,552,159	669,550
Filing fee costs	5,000	5,000	1,589	3,411
Circuit court	4,000	4,000	-	4,000
Juvenile detention	650,000	650,000	541,223	108,777
County court	3,700	3,700	530	3,170
State attorney	3,300	3,300	1,329	1,971
Supervisor of elections	1,667,684	1,667,684	1,386,797	280,887
Building maintenance	2,773,202	2,773,202	2,452,314	320,888
Historical commission	7,500	7,500	3,775	3,725
Veterans service officer	86,165	86,165	52,997	33,168
Council on aging	741,370	741,370	738,793	2,577
Economic development	65,186	65,186	40,015	25,171
Keystone CRA	27,501	33,659	33,659	-
Medical examiner	385,000	515,000	494,200	20,800
Rescue services	12,259,603	12,827,705	12,562,457	265,248
Assistance to Fire Fighter Grant	-	350,385	338,559	11,826
Public safety admin/comm	1,536,851	1,536,851	1,451,975	84,876
Emergency management	160,235	160,235	118,595	41,640
SHS Issue 08	-	12,307	750	11,557
SHS Issue 10	69,991	55,360	52,542	2,818
Repetitive Flood Claim	134,960	133,736	119,738	13,998
SHSGP Issue 07	10,900	10,900	10,900	-
SHSGP Issue 20	100,358	100,358	100,329	29
LAE Shelter Retrofit	-	70,670	38,762	31,908
EMS grant	29,204	48,653	32,571	16,082
Department 2801A.	-	42,000	42,000	-
Hospital services	70,000	70,000	25,220	44,780

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Public assistance services	2,149,875	2,149,875	2,105,799	44,076
Aid to private organizations	260,700	260,700	258,700	2,000
Animal care & control	1,198,627	1,224,627	1,068,136	156,491
Parks and recration admin	2,222,504	2,219,625	1,830,949	388,676
Wal-Mart park	7,100	7,100	-	7,100
Libraries administration	603,711	612,761	491,148	121,613
Orange Park library	586,680	586,680	493,263	93,417
GCS library	222,085	222,085	206,176	15,909
Keystone Heights library	179,484	179,484	153,182	26,302
Middleburg library	252,831	252,831	220,786	32,045
Library headquarters	775,907	775,904	710,806	65,098
Agriculture agent	459,574	459,574	416,803	42,771
Soil conservation	1,000	1,000	539	461
Transit Authority	48,000	53,000	51,359	1,641
Fleet/fuel management	3,348,911	3,348,911	2,186,988	1,161,923
Knowles/H.P. clean-up	30,000	30,000	6,847	23,153
Black Creek Hills MSBU	-	10,724	10,400	324
Fine and forfeiture	5,156,572	5,095,456	4,662,900	432,556
Contingencies	16,335,743	15,575,257	-	15,575,257
Total expenditures	116,361,984	116,873,695	95,035,369	21,838,326
Excess of revenues over (under) expenditures	(39,812,824)	(39,547,519)	(12,507,384)	27,040,135
Other financing sources (uses)				
Transfers in	16,743,679	16,476,199	15,214,020	(1,262,179)
Transfers out	(602,000)	(602,005)	(1,212,285)	(610,280)
Total other financing sources (uses)	16,141,679	15,874,194	14,001,735	(1,872,459)
Net change in fund balances	(23,671,145)	(23,673,325)	1,494,351	25,167,676
Fund balances – beginning of year	23,671,145	23,673,325	28,400,674	4,727,349
Change in prepaid	-	-	(3,869)	(3,869)
Change in inventory	-	-	43,587	43,587
Fund balances – end of year	$ -	$ -	$ 29,934,743	$ 29,934,743

Note to Budgetary Comparison Schedules:

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sheriff MSTU
Year ended September 30, 2015

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes	$ 16,357,389	$ 16,348,739	$ 16,659,931	$ 311,192
Miscellaneous	-	8,650	43,173	34,523
Total revenues	16,357,389	16,357,389	16,703,104	345,715
Expenditures:				
Current:				
Public safety	2,090,252	2,155,850	1,981,275	174,575
Excess of revenues over (under) expenditures	14,267,137	14,201,539	14,721,829	520,290
Other financing sources (uses)				
Transfers in	-	-	316,449	316,449
Transfers out	(15,094,207)	(15,080,391)	(15,080,391)	-
Total other financing sources (uses)	(15,094,207)	(15,080,391)	(14,763,942)	316,449
Net change in fund balances	(827,070)	(878,852)	(42,113)	836,739
Fund balances – beginning of year	827,070	878,852	1,103,402	224,550
Fund balances – end of year	$ -	$ -	$ 1,061,289	$ 1,061,289

Note to Budgetary Comparison Schedules:

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

Other Postemployment Benefits
For the Year ended September 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Unit Cost (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as % of Covered Payroll (B-A)/C
10/1/2013	$ -	$ 30,639,000	$ 30,639,000	0%	$ 58,284,023	52.57%
10/1/2011	$ -	$ 23,956,000	$ 23,956,000	0%	$ 64,117,938	37.36%
10/1/2009	$ -	$ 19,474,000	$ 19,474,000	0%	$ 58,884,934	33.07%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed
9/30/2015	$ 3,167,000	$ 1,150,000	36.31%
9/30/2014	$ 2,968,000	$ 1,029,000	34.67%
9/30/2013	$ 2,451,000	$ 848,000	34.60%
9/30/2012	$ 2,301,000	$ 779,000	33.85%
9/30/2011	$ 1,748,000	$ 880,000	50.34%
9/30/2010	$ 1,748,000	$ 880,000	50.34%
9/30/2009	$ 12,236,000	$ 1,953,000	15.96%

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.2726%
Employer's proportionate share of the net pension liability (asset)	$	35,215,863
Employer's covered-employee payroll	$	56,882,338
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		61.91%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.1885%
Employer's proportionate share of the net pension liability (asset)	$	19,224,289
Employer's covered-employee payroll	$	56,882,338
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.80%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 6,827,284
Contributions in relation to the contractually required contribution	6,827,284
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll	$ 57,363,328
Contributions as a percentage of covered-employee payroll	11.90%

Health Care Subsidy Program	2015
Contractually required contribution	$ 790,040
Contributions in relation to the contractually required contribution	790,040
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll	$ 57,363,328
Contributions as a percentage of covered-employee payroll	1.38%

Notes to schedules:
(1) Covered-employee payroll icludes defined benefit plan activities, investment plan members, and members in DROP.

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

Supplemental Information

Combining Balance Sheet - Board and Officers
September 30, 2015

	Board of County Commissioners	Fine and Forfeiture	Sheriff	Clerk of Court	Property Appraiser	Tax Collector	Supervisor of Elections	Eliminations	Combined General Fund
Assets:									
Cash and equivalents	$ 15,882,396	$ 2,186,152	$ 3,302,705	$ 251,540	$ 121,115	$ 1,113,773	$ 392,606	$ -	$ 23,250,287
Investments	8,073,389	86,334	-	-	-	-	-	-	8,159,723
Due from other funds	2,222,889	877,940	7,534	-	-	124,280	-	(2,486,433)	746,210
Due from other governments	2,376,258	44,744	-	2,835	-	-	-	-	2,423,837
Receivables	4,022,148	495	6,183	7	40,846	-	4,365	-	4,074,044
Prepaid	-	-	-	3,123	-	-	-	-	3,123
Inventory	110,966	-	339,085	-	-	-	-	-	450,051
Total assets	$ 32,688,046	$ 3,195,665	$ 3,655,507	$ 257,505	$ 161,961	$ 1,238,053	$ 396,971	$ (2,486,433)	$ 39,107,275
Liabilities:									
Accounts payable	$ 2,314,090	305,513	$ 2,233,301	$ 25,523	$ 71,928	$ -	$ 23,600	$ -	$ 4,973,955
Due to other funds	328,720	-	1,075,088	228,859	88,414	1,225,559	207,722	(2,486,433)	667,929
Due to other governments	2,303	-	8,033	-	1,619	12,494	-	-	24,449
Unearned revenues	8,623	20,964	-	-	-	-	-		29,587
Total liabilities	2,653,736	326,477	3,316,422	254,382	161,961	1,238,053	231,322	(2,486,433)	5,695,920
Deferred inflow of resources:									
Unavailable revenue	3,476,612	-	-	-	-	-	-	-	3,476,612
Fund balances:									
Nonspendable:									
Prepaids	-	-	-	3,123	-	-	-	-	3,123
Inventory	110,966	-	339,085	-	-	-	-	-	450,051
Restricted	-	-	-	-	-	-	165,649	-	165,649
Assigned	22,224,566	2,869,188	-	-	-	-	-	-	25,093,754
Unassigned	4,222,166	-	-	-	-	-	-	-	4,222,166
Total fund balances	26,557,698	2,869,188	339,085	3,123	-	-	165,649	-	29,934,743
Total liabilities, deferred inflow of resources and fund balances	$ 32,688,046	$ 3,195,665	$ 3,655,507	$ 257,505	$ 161,961	$ 1,238,053	$ 396,971	$ (2,486,433)	$ 39,107,275

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Board of County Commissioners			
	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes	$ 20,201,498	$ 20,200,909	$ 22,468,454	$ 2,267,545
Licenses and permits	-	-	11,186	11,186
Intergovernmental	17,102,132	17,678,423	18,296,806	618,383
Charges for services	5,808,836	4,063,784	4,911,449	847,665
Fines and forfeitures	-	1,400	1,750	350
Miscellaneous	-	1,806,950	1,399,208	(407,742)
Total revenues	43,112,466	43,751,466	47,088,853	3,337,387
Expenditures:				
Current:				
General government	16,245,835	16,235,855	14,870,282	1,365,573
Public safety	14,687,102	16,514,160	15,862,601	651,559
Physical environment	490,574	501,298	424,181	77,117
Transportation	3,396,911	3,401,911	2,248,747	1,153,164
Economic development	178,851	185,009	126,671	58,338
Human services	5,335,033	5,361,033	5,147,917	213,116
Culture and recreation	4,857,802	4,863,972	4,110,085	753,887
Court costs	661,000	16,000	3,448	12,552
Contingencies	15,736,703	15,101,473	-	15,101,473
Total expenditures	61,589,811	62,180,711	42,793,932	19,386,779
Excess of revenues over (under) expenditures	(18,477,345)	(18,429,245)	4,294,921	22,724,166
Other financing sources (uses)				
Transfers in	1,540,506	1,540,506	1,616,593	76,087
Transfers out	(4,889,000)	(4,939,280)	(4,891,825)	47,455
Total other financing sources (uses)	(3,348,494)	(3,398,774)	(3,275,232)	123,542
Net change in fund balances	(21,825,839)	(21,828,019)	1,019,689	22,847,708
Fund balances – beginning of year	21,825,839	21,828,019	25,545,019	3,717,000
Change in prepaid	-	-	-	-
Change in inventory	-	-	(7,010)	(7,010)
Fund balances – end of year	$ -	$ -	$ 26,557,698	$ 26,557,698

(Continued)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Sheriff			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	3,758	3,758
Total revenues	-	-	3,758	3,758
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	40,960,331	41,017,022	40,029,226	987,796
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	1,260,951	1,310,951	1,278,299	32,652
Contingencies	-	-	-	-
Total expenditures	42,221,282	42,327,973	41,307,525	1,020,448
Excess of revenues over (under) expenditures	(42,221,282)	(42,327,973)	(41,303,767)	1,024,206
Other financing sources (uses)				
Transfers in	42,221,282	42,327,973	42,327,973	-
Transfers out	-	-	(1,024,206)	(1,024,206)
Total other financing sources (uses)	42,221,282	42,327,973	41,303,767	(1,024,206)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	288,488	288,488
Change in prepaid	-	-	-	-
Change in inventory	-	-	50,597	50,597
Fund balances – end of year	$ -	$ -	$ 339,085	$ 339,085

(Continued)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Clerk of the Court			
	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,043,649	1,043,649	1,122,522	78,873
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	3,439	3,439
Total revenues	1,043,649	1,043,649	1,125,961	82,312
Expenditures:				
Current:				
General government	1,365,864	1,363,744	1,229,502	134,242
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	79,635	81,755	69,450	12,305
Contingencies	-	-	-	-
Total expenditures	1,445,499	1,445,499	1,298,952	146,547
Excess of revenues over (under) expenditures	(401,850)	(401,850)	(172,991)	228,859
Other financing sources (uses)				
Transfers in	401,850	401,850	401,850	-
Transfers out	-	-	(228,859)	(228,859)
Total other financing sources (uses)	401,850	401,850	172,991	(228,859)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	6,992	6,992
Change in prepaid	-	-	(3,869)	(3,869)
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ 3,123	$ 3,123

(Continued)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Property Appraiser			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	49,785	50,275	48,656	(1,619)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	4,300	4,300
Total revenues	49,785	50,275	52,956	2,681
Expenditures:				
Current:				
General government	2,551,560	2,552,050	2,474,191	77,859
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	2,551,560	2,552,050	2,474,191	77,859
Excess of revenues over (under) expenditures	(2,501,775)	(2,501,775)	(2,421,235)	80,540
Other financing sources (uses)				
Transfers in	2,501,775	2,501,775	2,501,775	-
Transfers out	-	-	(80,540)	(80,540)
Total other financing sources (uses)	2,501,775	2,501,775	2,421,235	(80,540)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaid	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ -	$ -

(Continued)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Tax Collector			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	3,934,131	3,934,595	4,975,956	1,041,361
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	49,881	49,881
Total revenues	3,934,131	3,934,595	5,025,837	1,091,242
Expenditures:				
Current:				
General government	3,934,131	3,934,595	3,801,623	132,972
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	3,934,131	3,934,595	3,801,623	132,972
Excess of revenues over (under) expenditures	-	-	1,224,214	1,224,214
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(1,224,214)	(1,224,214)
Total other financing sources (uses)	-	-	(1,224,214)	(1,224,214)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaid	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ -	$ -

(Continued)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Supervisor of Elections			
	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	33,348	33,348
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	6,523	6,523
Total revenues	-	-	39,871	39,871
Expenditures:				
Current:				
General government	1,455,225	1,455,225	1,264,368	190,857
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Contingencies	-	-	-	-
Total expenditures	1,455,225	1,455,225	1,264,368	190,857
Excess of revenues over (under) expenditures	(1,455,225)	(1,455,225)	(1,224,497)	230,728
Other financing sources (uses)				
Transfers in	1,455,225	1,455,225	1,455,229	4
Transfers out	-	-	(207,722)	(207,722)
Total other financing sources (uses)	1,455,225	1,455,225	1,247,507	(207,718)
Net change in fund balances	-	-	23,010	23,010
Fund balances – beginning of year	-	-	142,639	142,639
Change in prepaid	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ 165,649	$ 165,649

(Continued)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Fine and Forfeiture			
	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes	$ 29,942,265	$ 29,942,265	$ 30,473,282	$ 531,017
Licenses and permits	-	-	-	-
Intergovernmental	-	595,266	549,110	(46,156)
Charges for services	958,000	498,000	615,890	117,890
Fines and forfeitures	-	-	17,789	17,789
Miscellaneous	100,000	102,260	102,800	540
Total revenues	31,000,265	31,137,791	31,758,871	621,080
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	5,156,572	5,095,456	4,662,900	432,556
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Contingencies	599,040	473,786	-	473,786
Total expenditures	5,755,612	5,569,242	4,662,900	906,342
Excess of revenues over (under) expenditures	25,244,653	25,568,549	27,095,971	1,527,422
Other financing sources (uses)				
Transfers in	-	-	769,536	769,536
Transfers out	(27,089,959)	(27,413,855)	(27,413,855)	-
Total other financing sources (uses)	(27,089,959)	(27,413,855)	(26,644,319)	769,536
Net change in fund balances	(1,845,306)	(1,845,306)	451,652	2,296,958
Fund balances – beginning of year	1,845,306	1,845,306	2,417,536	572,230
Change in prepaid	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	2,869,188	$ 2,869,188

(Continued)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Eliminations			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	(2,591,600)	(2,591,600)	(2,568,122)	(23,478)
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	(2,591,600)	(2,591,600)	(2,568,122)	(23,478)
Expenditures				
Current:				
General government	(2,591,600)	(2,591,600)	(2,568,122)	23,478
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic development	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Contingencies	-	-	-	-
				-
Total expenditures	(2,591,600)	(2,591,600)	(2,568,122)	23,478
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	(31,376,959)	(31,751,130)	(33,858,936)	(2,107,806)
Transfers out	31,376,959	31,751,130	33,858,936	2,107,806
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
				-
Fund balances – beginning of year	-	-	-	-
Change in prepaid	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ -	$ -

(Continued)

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officers
Year ended September 30, 2015

	Combined General Fund			
	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
Revenues:				
Taxes	$ 50,143,763	$ 50,143,174	$ 52,941,736	$ 2,798,562
Licenses and permits	-	-	11,186	11,186
Intergovernmental	17,102,132	18,273,689	18,879,264	605,575
Charges for services	9,203,265	6,998,703	9,106,351	2,107,648
Fines and forfeitures	-	1,400	19,539	18,139
Miscellaneous	100,000	1,909,210	1,569,909	(339,301)
Total revenues	76,549,160	77,326,176	82,527,985	5,201,809
Expenditures:				
Current:				
General government	22,961,479	22,949,869	21,071,844	1,878,025
Public safety	60,804,005	62,626,638	60,554,727	2,071,911
Physical environment	490,574	501,298	424,181	77,117
Transportation	3,396,911	3,401,911	2,248,747	1,153,164
Economic development	178,851	185,009	126,671	58,338
Human services	5,335,033	5,361,033	5,147,917	213,116
Culture and recreation	4,857,802	4,863,972	4,110,085	753,887
Court costs	2,001,586	1,408,706	1,351,197	57,509
Contingencies	16,335,743	15,575,259	-	15,575,259
Total expenditures	116,361,984	116,873,695	95,035,369	21,838,326
Excess of revenues over (under) expenditures	(39,812,824)	(39,547,519)	(12,507,384)	27,040,135
Other financing sources (uses)				
Transfers in	16,743,679	16,476,199	15,214,020	(1,262,179)
Transfers out	(602,000)	(602,005)	(1,212,285)	(610,280)
Total other financing sources (uses)	16,141,679	15,874,194	14,001,735	(1,872,459)
Net change in fund balances	(23,671,145)	(23,673,325)	1,494,351	25,167,676
Fund balances – beginning of year	23,671,145	23,673,325	28,400,674	4,727,349
Change in prepaid	-	-	(3,869)	(3,869)
Change in inventory	-	-	43,587	43,587
Fund balances – end of year	$ -	$ -	$ 29,934,743	$ 29,934,743

(Concluded)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	County Transportation Fund	Florida Boating Improvement	Hidden Waters MSBU	County Alcohol and Other Drug Abuse	Court Facility	Law Enforcement Trust
Assets:						
Cash and equivalents	$ 1,189,265	$ 246,969	$ 11,644	$ 837	$ 1,456,881	$ 300,351
Investments	1,723,390	642,807	-	-	2,218,397	81,954
Due from other funds	71,064	17,871	93	597	49,163	234,394
Due from other governments	737,476	-	-	-	-	-
Receivables	4,906	128	-	-	444	19
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	$ 3,726,101	$ 907,775	$ 11,737	$ 1,434	$ 3,724,885	$ 616,718
Liabilities:						
Accounts payable and accrued liabilities	$ 548,657	$ 8,465	$ -	$ -	$ -	$ -
Due to other funds	49,799	-	7,955	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	58,743	-	-	-	-	-
Total liabilities	657,199	8,465	7,955	-	-	-
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	3,068,902	899,310	3,782	1,434	3,724,885	616,718
Total fund balances	3,068,902	899,310	3,782	1,434	3,724,885	616,718
Total liabilities, deferred inflows, and fund balances	$ 3,726,101	$ 907,775	$ 11,737	$ 1,434	$ 3,724,885	$ 616,718

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Law Library	Tourist Development Trust	Second Dollar Sheriff Education	Free Library	Investigative Drug	Legal Aid Fees
Assets:						
Cash and equivalents	$ 57,578	$ 505,839	$ 46,339	$ 165,042	$ 45,625	$ 54,422
Investments	-	901,252	2	152,558	57,279	-
Due from other funds	4,573	100,214	26,261	-	33,910	4,573
Due from other governments	-	-	-	-	-	-
Receivables	-	179	-	86	12	-
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	$ 62,151	$ 1,507,484	$ 72,602	$ 317,686	$ 136,826	$ 58,995
Liabilities:						
Accounts payable and accrued liabilities	$ 394	$ 5,678	$ -	$ 5,080	$ -	$ 35,155
Due to other funds	61,757	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	62,151	5,678	-	5,080	-	35,155
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-		-
Fund balances:						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	-	1,501,806	72,602	312,606	136,826	23,840
Total fund balances	-	1,501,806	72,602	312,606	136,826	23,840
Total liabilities, deferred inflows, and fund balances	$ 62,151	$ 1,507,484	$ 72,602	$ 317,686	$ 136,826	$ 58,995

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	SHIP	Florida Arts License Tag	Court Mediation	Oak Forest Road MSBU	Teen Court	CDBG Grant Fund
Assets:						
Cash and equivalents	$ 660,881	$ 1,226	$ 17,271	$ 35,853	$ 5,150	$ 20,288
Investments	200,712	-	1,393	-	-	-
Due from other funds	-	-	-	218	6,929	-
Due from other governments	-	60	-	-	-	-
Receivables	8,043	-	-	-	-	-
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	$ 869,636	$ 1,286	$ 18,664	$ 36,071	$ 12,079	$ 20,288
Liabilities:						
Accounts payable and accrued liabilities	$ 59,854	$ 666	$ 1,313	$ -	$ -	$ -
Due to other funds	9	-	-	24,421	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	59,863	666	1,313	24,421	-	-
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	809,773	620	17,351	11,650	12,079	20,288
Total fund balances	809,773	620	17,351	11,650	12,079	20,288
Total liabilities, deferred inflows, and fund balances	$ 869,636	$ 1,286	$ 18,664	$ 36,071	$ 12,079	$ 20,288

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Student Driver Education	Municipal Service	Blue Jay MSBU	911 Wireless	State Court Local Requirements	Two Dollar Recording Fee
Assets:						
Cash and equivalents	$ 79,625	$ 589,170	$ 55,527	$ 555,370	$ 15,540	$ 438,369
Investments	74,175	1,370,068	-	575,227	685,965	-
Due from other funds	4,512	2,214	390	-	132,813	89,106
Due from other governments	-	31,280	-	162,705	-	-
Receivables	26	12,082	-	118	136	-
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	$ 158,338	$ 2,004,814	$ 55,917	$ 1,293,420	$ 834,454	$ 527,475
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ 46,580	$ 2,807	$ 34,751	$ 126,068	$ -
Due to other funds	-	377	38,688	54	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	46,957	41,495	34,805	126,068	-
Deferred inflow of resources:						
Unavailable revenue	-	-	-	71,469	-	-
Fund balances:						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	158,338	1,957,857	14,422	1,187,146	708,386	527,475
Total fund balances	158,338	1,957,857	14,422	1,187,146	708,386	527,475
Total liabilities, deferred inflows, and fund balances	$ 158,338	$ 2,004,814	$ 55,917	$ 1,293,420	$ 834,454	$ 527,475

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Crime Prevention Program	Juvenile Program	Building	Fire MSTU	Fire Inspection Fee Fund	Sheriff Federal Forfeiture-Law Enforcement Trust Fund
Assets:						
Cash and equivalents	$ 75,278	$ 61,911	$ 2,428,492	$ 953,132	$ 67,626	$ 501,456
Investments	172,791	-	1,276,139	284,532	-	-
Due from other funds	21,999	4,572	-	446	-	-
Due from other governments	-	-	6,610	86,518	-	-
Receivables	34	-	266	80	1,889	40
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total assets	$ 270,102	$ 66,483	$ 3,711,507	$ 1,324,708	$ 69,515	$ 501,496
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ -	$ 41,618	$ 135,926	$ 1,893	$ 270,000
Due to other funds	-	66,483	85	-	-	231,371
Due to othe governments	-	-	8,932	-	-	-
Unearned revenue	-	-	-	2,593	-	-
Total liabilities	-	66,483	50,635	138,519	1,893	501,371
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	1,289	-
Fund balances:						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	270,102	-	3,660,872	1,186,189	66,333	125
Total fund balances	270,102	-	3,660,872	1,186,189	66,333	125
Total liabilities, deferred inflows, and fund balances	$ 270,102	$ 66,483	$ 3,711,507	$ 1,324,708	$ 69,515	$ 501,496

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Inmate Welfare Fund	Sheriff Grant Fund	2nd Dollar Sheriff Education Fund	Sheriff Drug Investigative Fund	Sheriff Crime Prevention Program Fund	Sheriff $12.50 Motor Vehicle Surcharge Fund
Assets:						
Cash and equivalents	$ 246,406	$ 63,417	$ 24,093	$ 33,910	$ 15,083	$ 17,933
Investments	-	-	-	-	-	-
Due from other funds	4,160	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Receivables	34,155	24	-	-	-	-
Prepaid costs	-	-	-	-	-	-
Inventory	-	-	-	-	-	17,399
Total assets	$ 284,721	$ 63,441	$ 24,093	$ 33,910	$ 15,083	$ 35,332
Liabilities:						
Accounts payable and accrued liabilities	$ 6,567	$ 1,662	$ 595	$ -	$ -	$ 825
Due to other funds	6,601	61,779	23,498	33,910	15,083	17,108
Due to othe governments	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	13,168	63,441	24,093	33,910	15,083	17,933
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	17,399
Restricted	271,553	-	-	-	-	-
Total fund balances	271,553	-	-	-	-	17,399
Total liabilities, deferred inflows, and fund balances	$ 284,721	$ 63,441	$ 24,093	$ 33,910	$ 15,083	$ 35,332

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Clerk Fine and Forfeiture	Clerk Records Modernization	Clerk Information Technology	Clerk BCC Technology	Clerk - CGD Supplementary Fee
Assets:					
Cash and equivalents	$ 737,411	$ 107,023	$ 170,282	$ 64,549	$ 4,402
Investments	-	76,382	27,567	-	1,170
Due from other funds	2,821	-	-	-	-
Due from other governments	122,025	890	-	-	-
Receivables	29	135	-	-	-
Prepaid costs	4,652	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 866,938	$ 184,430	$ 197,849	$ 64,549	$ 5,572
Liabilities:					
Accounts payable and accrued liabilities	$ 89,256	$ 11,441	$ 1,335	$ 2,945	$ -
Due to other funds	504,228	-	-	61,604	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	593,484	11,441	1,335	64,549	-
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	4,652	-	-	-	-
Inventory	-	-	-	-	-
Restricted	268,802	172,989	196,514	-	5,572
Total fund balances	273,454	172,989	196,514	-	5,572
Total liabilities, deferred inflows, and fund balances	$ 866,938	$ 184,430	$ 197,849	$ 64,549	$ 5,572

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	Clerk Teen Court	Clerk Clay County Archives	$12.50 Motor Vehicle Surcharge	Special Assessment Bonds August 1, 1990	Surtax Revenue Bonds 2009
Assets:					
Cash and equivalents	$ 23,413	$ 10,396	$ 73,994	$ -	$ -
Investments	-	-	2,995	-	8,077,128
Due from other funds	-	-	29,552	-	-
Due from other governments	-	-	-	-	-
Receivables	-	-	-	-	2,461
Prepaid costs	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 23,413	$ 10,396	$ 106,541	$ -	$ 8,079,589
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ 12,617	$ -	$ -
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	12,617	-	-
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	23,413	10,396	93,924	-	8,079,589
Total fund balances	23,413	10,396	93,924	-	8,079,589
Total liabilities, deferred inflows, and fund balances	$ 23,413	$ 10,396	$ 106,541	$ -	$ 8,079,589

(Continued)

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2015

	CIP Northeast Sector	CIP West Sector	Branan Field APF	Sidewalk Fund	Lake Asbury APF	Total
Assets:						
Cash and equivalents	$ 117,333	$ 97,924	$ 215,569	$ 22,494	$ 18	$ 12,688,607
Investments	302,172	119,957	166,566	-	-	19,192,578
Due from other funds	-	-	-	-	-	842,445
Due from other governments	-	-	-	-	-	1,147,564
Receivables	60	24	33	-	-	65,409
Prepaid costs	-	-	-	-	-	4,652
Inventory	-	-	-	-	-	17,399
Total assets	$ 419,565	$ 217,905	$ 382,168	$ 22,494	$ 18	$ 33,958,654
Liabilities:						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ 1,452,148
Due to other funds	-	-	-	-	-	1,204,810
Due to other governments	-	-	-	-	-	8,932
Unearned revenue	-	-	-	-	-	61,336
Total liabilities	-	-	-	-	-	2,727,226
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	72,758
Fund balances:						
Nonspendable:						
Prepaids	-	-	-	-	-	4,652
Inventory	-	-	-	-	-	17,399
Restricted	419,565	217,905	382,168	22,494	18	31,136,619
Total fund balances	419,565	217,905	382,168	22,494	18	31,158,670
Total liabilities, deferred inflows, and fund balances	$ 419,565	$ 217,905	$ 382,168	$ 22,494	$ 18	$ 33,958,654

(Concluded)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	County Transportation Fund	Florida Boating Improvement	Hidden Waters MSBU	County Alcohol and Other Drug Abuse	Court Facility	Law Enforcement Trust
Revenues:						
Taxes	$ 5,016,968	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	87,504	11,615	-	-	-
Intergovernmental	3,347,516	-	-	-	-	-
Charges for services	-	-	-	7,262	554,246	-
Fines and forfeitures	206	-	-	-	-	230,349
Miscellaneous	140,566	1,339	2	22	4,774	250
Total revenues	8,505,256	88,843	11,617	7,284	559,020	230,599
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	242,561	-	-	-	-	-
Transportation	8,025,538	-	8,171	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	299,924	-	-
Culture and recreation	-	30,702	-	-	-	-
Court related	-	-	-	-	95,100	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	8,268,099	30,702	8,171	299,924	95,100	-
Excess of revenues over (under) expenditures	237,157	58,141	3,446	(292,640)	463,920	230,599
Other financing sources (uses):						
Transfers in	25,199	-	93	290,000	-	231,371
Transfers out	-	-	-	-	-	(309,200)
Total other financing sources (uses)	25,199	-	93	290,000	-	(77,829)
Net change in fund balances	262,356	58,141	3,539	(2,640)	463,920	152,770
Fund balances – beginning of year	2,806,546	841,169	243	4,074	3,260,965	463,948
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	$ 3,068,902	$ 899,310	$ 3,782	$ 1,434	$ 3,724,885	$ 616,718

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Law Library	Tourist Development Trust	Second Dollar Sheriff Education	Free Library	Investigative Drug	Legal Aid Fees
Revenues:						
Taxes	$ -	$ 590,018	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	66,473	-	30,518	-	-	66,473
Fines and forfeitures	-	-	-	92,716	31,376	-
Miscellaneous	9	1,903	15	456	131	22
Total revenues	66,482	591,921	30,533	93,172	31,507	66,495
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	390,359	-	-	-	-
Human services	-	-	-	-	-	140,619
Culture and recreation	-	-	-	153,284	-	-
Court related	4,725	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	4,725	390,359	-	153,284	-	140,619
Excess of revenues over (under) expenditures	61,757	201,562	30,533	(60,112)	31,507	(74,124)
Other financing sources (uses):						
Transfers in	-	4,991	23,498	-	33,910	74,000
Transfers out	(61,757)	-	(50,000)	-	(65,000)	-
Total other financing sources (uses)	(61,757)	4,991	(26,502)	-	(31,090)	74,000
Net change in fund balances	-	206,553	4,031	(60,112)	417	(124)
Fund balances – beginning of year	-	1,295,253	68,571	372,718	136,409	23,964
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	$ -	$ 1,501,806	$ 72,602	$ 312,606	$ 136,826	$ 23,840

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	SHIP	Florida Arts License Tag	Court Mediation	Oak Forest Road MSBU	Teen Court	CDBG Grant Fund
Revenues:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	29,390	-	-
Intergovernmental	510,352	2,145	-	-	-	68,396
Charges for services	-	-	-	-	51,044	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	80,013	-	8	8	2	-
Total revenues	590,365	2,145	8	29,398	51,046	68,396
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	24,930	-	-
Economic environment	686,935	-	-	-	-	16,490
Human services	-	-	-	-	-	-
Culture and recreation	-	3,100	-	-	-	-
Court related	-	-	13,863	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	686,935	3,100	13,863	24,930	-	16,490
Excess of revenues over (under)expenditures	(96,570)	(955)	(13,855)	4,468	51,046	51,906
Other financing sources (uses):						
Transfers in	-	-	-	218	35,401	-
Transfers out	-	-	-	-	(71,850)	-
Total other financing sources (uses)	-	-	-	218	(36,449)	-
Net change in fund balances	(96,570)	(955)	(13,855)	4,686	14,597	51,906
Fund balances beginning of year	906,343	1,575	31,206	6,964	(2,518)	(31,618)
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	$ 809,773	$ 620	$ 17,351	$ 11,650	$ 12,079	$ 20,288

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Student Driver Education	Municipal Service	Blue Jay MSBU	911 Wireless	State Court Local Requirements	Two Dollar Recording Fee
Revenues:						
Taxes	$ -	$ 811,719	$ -	$ -	$ -	$ -
Licenses and permits	-	28,344	52,833	-	-	-
Intergovernmental	-	19,295	1,412	788,744	-	-
Charges for services	49,329	333,598	-	-	66,473	328,652
Fines and forfeitures	-	42,733	-	-	-	-
Miscellaneous	378	193,565	10	14,154	1,390	105
Total revenues	49,707	1,429,254	54,255	802,898	67,863	328,757
Expenditures:						
Current:						
General government	-	757,044	-	-	-	-
Public safety	150,000	-	-	512,779	-	-
Physical environment	-	647,493	-	-	-	-
Transportation	-	-	44,796	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	307,990	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	150,000	1,404,537	44,796	512,779	307,990	-
Excess of revenues over (under) expenditures	(100,293)	24,717	9,459	290,119	(240,127)	328,757
Other financing sources (uses):						
Transfers in	-	-	390	-	128,240	61,604
Transfers out	-	-	-	-	-	(302,700)
Total other financing sources (uses)	-	-	390	-	128,240	(241,096)
Net change in fund balances	(100,293)	24,717	9,849	290,119	(111,887)	87,661
Fund balances – beginning of year	258,631	1,933,140	4,573	897,027	820,273	439,814
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	$ 158,338	$ 1,957,857	$ 14,422	$ 1,187,146	$ 708,386	$ 527,475

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Crime Prevention Program	Juvenile Program	Building	Fire MSTU	Fire Inspection Fee Fund	Sheriff Federal Forfeiture-Law Enforcement Trust Fund
Revenues:						
Taxes	$ -	$ -	$ -	$ 3,825,322	$ -	$ -
Licenses and permits	-	-	2,383,411	-	-	-
Intergovernmental	-	-	-	326,621	-	-
Charges for services	-	66,473	-	-	107,030	-
Fines and forfeitures	100,131	-	-	-	-	-
Miscellaneous	362	10	11,126	8,412	1,020	214
Total revenues	100,493	66,483	2,394,537	4,160,355	108,050	214
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	1,773,256	4,206,120	101,194	347,960
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	-	-	1,773,256	4,206,120	101,194	347,960
Excess of revenues over (under) expenditures	100,493	66,483	621,281	(45,765)	6,856	(347,746)
Other financing sources (uses):						
Transfers in	15,083	-	-	-	-	309,200
Transfers out	(110,000)	(66,483)	-	-	-	(231,371)
Total other financing sources (uses)	(94,917)	(66,483)	-	-	-	77,829
Net change in fund balances	5,576	-	621,281	(45,765)	6,856	(269,917)
Fund balances – beginning of year	264,526	-	3,039,591	1,231,954	59,477	270,042
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	$ 270,102	$ -	$ 3,660,872	$ 1,186,189	$ 66,333	$ 125

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Inmate Welfare Fund	Sheriff Grant Fund	2nd Dollar Sheriff Education Fund	Sheriff Drug Investigative	Sheriff Crime Prevention Program Fund	Sheriff $12.50 Motor Vehicle Surcharge Fund
Revenues:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	342,190	-	1	16	13	11
Total revenues	342,190	-	1	16	13	11
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	314,951	104,494	26,503	31,106	94,930	122,903
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court related	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-	-
Total expenditures	314,951	104,494	26,503	31,106	94,930	122,903
Excess of revenues over (under) expenditures	27,239	(104,494)	(26,502)	(31,090)	(94,917)	(122,892)
Other financing sources (uses):						
Transfers in	-	166,273	50,000	65,000	110,000	140,000
Transfers out	-	(61,779)	(23,498)	(33,910)	(15,083)	(17,108)
Total other financing sources (uses)	-	104,494	26,502	31,090	94,917	122,892
Net change in fund balances	27,239	-	-	-	-	-
Fund balances – beginning of year	244,314	-	-	-	-	14,311
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	3,088
Fund balances – end of year	$ 271,553	$ -	$ -	$ -	$ -	$ 17,399

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Clerk Fine and Forfeiture	Clerk Records Modernization	Clerk Information Technology	Clerk BCC Technology	Clerk - CGD Supplementary Fee
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	559,633	-	-	-	-
Charges for services	2,677,238	102,319	315,071	-	732
Fines and forfeitures	471,535	131,500	-	-	-
Miscellaneous	87,186	668	241	-	10
Total revenues	3,795,592	234,487	315,312	-	742
Expenditures:					
Current:					
General government	-	87,813	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	3,842,142	235,211	250,147	241,096	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charge	-	-	-	-	-
Total expenditures	3,842,142	323,024	250,147	241,096	-
Excess of revenues over (under) expenditures	(46,550)	(88,537)	65,165	(241,096)	742
Other financing sources (uses):					
Transfers in	2,821	-	-	302,700	-
Transfers out	-	-	-	(61,604)	-
Total other financing sources (uses)	2,821	-	-	241,096	-
Net change in fund balances	(43,729)	(88,537)	65,165	-	742
Fund balances – beginning of year	317,238	261,526	131,349	-	4,830
Change in prepaids	(55)	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ 273,454	$ 172,989	$ 196,514	$ -	$ 5,572

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Clerk Teen Court	Clay County Archives	$12.50 Motor Vehicle Surcharge	Special Assessment Bonds August 1, 1990	Surtax Revenue Bonds 2009
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	131,756	-	-
Miscellaneous	6,782	5,203	174	-	32,149
Total revenues	6,782	5,203	131,930	-	32,149
Expenditures:					
Current:					
General government	-	2,370	-	-	-
Public safety	-	-	148,526	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court related	4,619	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	7,745,000
Interest and fiscal charge	-	-	-	-	1,714,325
Total expenditures	4,619	2,370	148,526	-	9,459,325
Excess of revenues over (under) expenditures	2,163	2,833	(16,596)	-	(9,427,176)
Other financing sources (uses):					
Transfers in	-	-	197,108	-	9,459,326
Transfers out	-	-	(140,000)	(198)	(1)
Total other financing sources (uses)	-	-	57,108	(198)	9,459,325
Net change in fund balances	2,163	2,833	40,512	(198)	32,149
Fund balances – beginning of year	21,250	7,563	53,412	198	8,047,440
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ 23,413	$ 10,396	$ 93,924	$ -	$ 8,079,589

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
Year ended September 30, 2015

	CIP Northeast Sector	CIP West Sector	Branan Field APF	Sidewalk Fund	Lake Asbury APF	Total
Revenues:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 10,244,027
Licenses and permits	-	42,763	20,203	22,493	-	2,678,556
Intergovernmental	-	-	-	-	-	5,624,114
Charges for services	-	-	-	-	-	4,822,931
Fines and forfeitures	-	-	-	-	-	1,232,302
Miscellaneous	636	257	392	1	-	936,196
Total revenues	636	43,020	20,595	22,494	-	25,538,126
Expenditures:						
Current:						
General government	-	-	-	-	-	847,227
Public safety	-	-	-	-	-	7,934,722
Physical environment	-	-	-	-	-	890,054
Transportation	-	-	-	-	-	8,103,435
Economic environment	-	-	-	-	-	1,093,784
Human services	-	-	-	-	-	440,543
Culture and recreation	-	-	-	-	-	187,086
Court related	-	-	-	-	-	4,994,893
Debt service:						
Principal retirement	-	-	-	-	-	7,745,000
Interest and fiscal charge	-	-	-	-	-	1,714,325
Total expenditures	-	-	-	-	-	33,951,069
Excess of revenues over (under) expenditures	636	43,020	20,595	22,494	-	(8,412,943)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	11,726,426
Transfers out	-	-	-	-	-	(1,621,542)
Total other financing sources (uses)	-	-	-	-	-	10,104,884
Net change in fund balances	636	43,020	20,595	22,494	-	1,691,941
Fund balances – beginning of year	418,929	174,885	361,573	-	18	29,463,696
Change in prepaids	-	-	-	-	-	(55)
Change in inventory	-	-	-	-	-	3,088
Fund balances – end of year	$ 419,565	$ 217,905	$ 382,168	$ 22,494	$ 18	$ 31,158,670

(Concluded)

Combining Statement of Fiduciary Net Position
September 30, 2015

	Clerk of Courts	Sheriff	Tax Collector	Totals
Assets:				
Cash and equivalents	$ 6,499,593	$ 189,299	$ 2,377,961	$ 9,066,853
Receivables	6,390	35,558	52,708	94,656
Due from other funds	-	85	-	85
Total assets	6,505,983	224,942	2,430,669	9,161,594
Liabilities:				
Assets held for others	6,360,376	134,388	2,186,800	8,681,564
Due to other funds	145,607	90,554	243,869	480,030
Total liabilities	6,505,983	224,942	2,430,669	9,161,594
Net position	$ -	$ -	$ -	$ -

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2015

Federal Agency	Federal CFDA Number	Contract Number	Expenditures	Program Totals
U.S. Department of Housing and Urban Development				
Passed through Florida Department of Economic Opportunity:				
Small Cities Community Development Block Grant	14.228	10-DB-4X-04-20-01-F-07	$ 16,489	$ 16,489
U.S. Department of Justice				
Direct assistance:				
State Criminal Alien Assistance Program	16.606	2014-AP-BX-0836	16,190	16,190
Direct assistance:				
Edward Byrne Memorial Justice Assistance Grant	16.738	2013-DJ-BX-0827	20,964	
Passed through Florida Department of Law Enforcement:				
Clay County Drug Task Force	16.738	2015-JAGC-CLAY-1-R3-023	66,968	87,932
Federal Highway Administration				
Passed through the Florida Department of Transportation:				
Boating Safety Financial Assistance	20.005	14-15-146	52,300	52,300
US Election Assistance Commission				
Passed through Florida Department of State:				
Help America Vote Act Ballot on Demand	90.401		15,338	15,338
U.S. Department of Health and Human Services				
Passed through Florida Department of Revenue:				
Child Support Enforcement	93.563	CSP10	15,952	
IV-D Reimbursement	93.563	FFY2013	2,821	18,773
U.S. Department of Homeland Security				
Direct Assistance:				
Emergency Management Performance Grant	97.042	15-FG-4D-04-20-01-077	30,025	
Emergency Management Performance Grant	97.042	16-FG-4D-04-20-01-077	38,762	68,787
Assistance to Firefighters Grant	97.044	EMW-2013-FO-06485	22,517	22,517
Staffing for Adequate Fire and Emergency Response Grant	97.083	EMW-2013-FH-00545	1,110,592	1,110,592
Passed through Florida Department of Financial Services:				
SHSGP - HAZMAT	97.067	14-DS-L5-04-20-01-417	9,685	
Passed through Florida Department of Emergency Management:				
SHSGP - Issue 5	97.067	14-DS-L5-04-20-01-365	10,900	
SHSGP - Issue 16	97.067	15-DS-P4-04-20-01-382	750	
SHSGP - Issue 7 & 13	97.067	15-DS-P4-04-20-01-489	2,593	23,928
Flood Mitigation Assistance	97.029	15-FM-J2-04-20-01-177	338,559	338,559
Tropical Storm Debby	97.036	13-DB-73-04-20-02-525	78,699	78,699
Total Expenditures of Federal Awards			$ 1,850,104	$ 1,850,104

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2015

State Agency	State CSFA Number	Contract Number	Expenditures	Project Totals
Florida Department of Economic Opportunity				
Emergency Management Preparedness Base Grant	31.063	15-BG-83-04-20-01-010	$ 77,538	
Emergency Management Preparedness Base Grant	31.063	16-BG-83-04-20-01-010	22,789	$ 100,327
Florida Division of Emergency Management				
Hurricane Shelter Retrofit Project	31.068	13-SR-AA-04-20-01-362	119,738	119,738
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	20288	18,448	
Mosquito Control	42.003	21330	16,797	35,245
Volunteer Fire Assistance			6,625	6,625
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	11-ST-08	159,861	
State Aid to Libraries	45.030	12-ST-07	67,133	
State Aid to Libraries	45.030	13-ST-07	53,011	
State Aid to Libraries	45.030	14-ST-07	49,639	
State Aid to Libraries	45.030	15-ST-07	54,735	384,379
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program	52.901		686,934	686,934
Florida Department of Transportation				
State Highway Project Reimbursement Program	55.023	AN691	64,690	
Traffic Signal Maintenance Agreement	55.023	ARG83	73,262	137,952
NPDES - Phase II	55.024	ANA71	4,123	4,123
County Grant Award- Emergency Medical Services	64.005	C2010	19,036	
County Grant Award- Emergency Medical Services	64.005	C3010	13,535	32,571
Florida Department of Highway Safety				
Florida Arts License Plates	76.041		3,100	3,100
Total Expenditures of State Financial Awards			$ 1,510,994	$ 1,510,994

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

1. General

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the activity of all federal award programs and state financial assistance projects of Clay County, Florida (the County) for the year ended September 30, 2015. The County's structure is described in Note 1 to basic financial statements. Federal awards and state financial assistance received directly from federal and state agencies, as well as those passed through other government agencies are included in the accompanying Schedule.

2. Basis of Presentation

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Schedule includes the activities of all federal programs and state financial assistance projects of the County except the component unit referred to in our Independent Auditor's Report as being audited by other auditors, and is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A- 133 Audits of State, Local Governments, and Non-Profit Organizations and Chapter 10.550, Rules of the Auditor General. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in Net Position or cash flows of the County.

3. Subrecipients

The County did not make sub-awards of federal awards or state financial assistance during the year ended September 30, 2015.

Additional Elements Required
by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

The Honorable County Commissioners
Clay County, Florida

We have audited the financial statements of Clay County, Florida (the "County") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 28, 2016.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U. S. Office of Management and Budget Circular A-133. 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 Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. In that regard, actions have been taken to address the prior year finding and that finding has been corrected.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency". In connection with our audit, we determined that the County has not met one or more of the conditions described in Section 218.503(1), Florida Statutes, that are indicative of a financial emergency.

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(7). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the County for the fiscal year ended September 30, 2015, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2015.

Other Matters

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

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

This management letter is intended solely for the information and use of the County Commission, its management, and oversight agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

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

The Honorable County Commissioners
Clay County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clay County, Florida (the "County") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2016. Our report includes a reference to other auditors who audited the financial statements of the Housing Finance Authority of Clay County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

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

The Honorable County Commissioners
Clay County, Florida

We have examined Clay County, Florida's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds,* during the year ended September 30, 2015. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable County Commissioners
Clay County, Florida

We have examined Clay County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016

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1301 Plantation Island Drive
Suite 205A
St. Augustine, Florida 32080

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www.cricpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

The Honorable County Commissioners
Clay County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Clay County, Florida's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects *Compliance Supplement* that could have direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2015. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations;* and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on EachMajor Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2015.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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

St Augustine, Florida
June 28, 2016

Schedule of Findings and Questioned Costs
For the year ended September 30, 2015

PART I – SUMMARY OF AUDITOR'S RESULTS

(i) The independent auditors' report on the financial statements expressed an unmodified opinion.

(ii) The audit did not disclose significant deficiencies or material weaknesses in internal control over financial reporting.

(iii) The audit did not disclose any noncompliance considered material to the financial statements.

(iv) The audit disclosed no significant deficiencies or material weaknesses in internal control over the major federal award programs or major state projects.

(v) The report on compliance for the major federal programs and state projects was unmodified.

(vi) The audit disclosed no findings relative to the major federal programs or state projects.

(vii) The County's major programs/projects were:

Federal Programs	CFDA Number
Flood Mitigation Assistance	97.029
Staffing for Adequate Fire and Emergency Response	97.083
State Projects	**CSFA Number**
Hurricane Shelter Retrofit Project	31.068
State Housing Initiatives Partnership Program	52.901

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

(ix) The County qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

PART II – FINANCIAL STATEMENT FINDINGS

There were no findings relative to the financial statements.

PART III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAM

There were no findings relative to the major federal programs.

PART IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no findings relative to the major state projects.

Summary Schedule of Prior Audit Findings

For the year ended September 30, 2015

The prior year finding pertaining to the state project, State Housing Intiative Partnership Program (CSFA 52.901), has been addressed and corrected.

Clay County
Clerk of the Circuit Court

Audit Report

September 30, 2015

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Clay County Clerk of the Circuit Court (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2015, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension trend information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

St. Augustine, Florida
June 28, 2016

Balance Sheet – Governmental Funds
As of September 30, 2015

	General Fund	Fine & Forfeiture Fund	Records Modernization Fund	Information Technology Fund	Other Governmental Funds	Total Govern-mental Funds
Assets						
Cash & cash equivalents	$ 251,540	$ 737,411	$ 107,023	$ 170,282	$ 102,760	$ 1,369,016
Investments	-	-	76,382	27,567	1,170	105,119
Accounts receivable	7	29	135	-	-	171
Due from other governments	2,835	122,025	890	-	-	125,750
Due from other county agencies	-	2,821	-	-	-	2,821
Prepaid expenditures	3,123	4,652	-	-	-	7,775
Total assets	$ 257,505	$ 866,938	$ 184,430	$ 197,849	$ 103,930	$ 1,610,652
Liabilities and fund balances						
Liabilities:						
Accounts payable and accrued liabilities	$ 25,523	$ 89,262	$ 11,441	$ 1,335	$ 2,945	$ 130,506
Due to other county agencies	228,859	504,222	-	-	61,604	794,685
Total liabilities	254,382	593,484	11,441	1,335	64,549	925,191
Fund balances:						
Nonspendable	3,123	4,652	-	-	-	7,775
Restricted	-	268,802	172,989	196,514	39,381	677,686
Total fund balances	3,123	273,454	172,989	196,514	39,381	685,461
Total liabilities and fund balances	$ 257,505	$ 866,938	$ 184,430	$ 197,849	$ 103,930	$ 1,610,652

See accompanying Notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2015

	General Fund	Fine & Forfeiture Fund	Records Modernization Fund	Information Technology Fund	Other Governmental Funds	Total Govern-mental Funds
Revenues						
Intergovernmental	$ -	$ 559,633	$ -	$ -	$ -	$ 559,633
Charges for services	1,122,522	2,677,298	102,319	315,071	732	4,217,942
Fines and forfeitures	-	471,535	131,500	-	-	603,035
Miscellaneous revenue	3,439	87,186	668	241	11,995	103,529
Total revenues	1,125,961	3,795,652	234,487	315,312	12,727	5,484,139
Expenditures						
Current:						
General government:						
Personal services	649,564	-	-	-	-	649,564
Operating expenditures	546,003	-	87,813	-	2,370	636,186
Capital outlay	33,935	-	-	-	-	33,935
Court related:						
Personal services	66,742	3,534,220	146,687	20,623	94,017	3,862,289
Operating expenditures	2,708	197,536	76,896	223,305	128,518	628,963
Capital outlay	-	2,044	11,628	6,219	23,180	43,071
Total expenditures	1,298,952	3,733,800	323,024	250,147	248,085	5,854,008
Excess of revenues over (under) expenditures	(172,991)	61,852	(88,537)	65,165	(235,358)	(369,869)
Other financing source (uses)						
Appropriation from board of county commissioners	401,850	2,821	-	-	302,700	707,371
Reversion to board of county commissioners	(228,859)	-	-	-	(61,604)	(290,463)
Reversion to Clerks of Court Trust Fund	-	(108,402)	-	-	-	(108,402)
Total other financing sources (uses)	172,991	(105,581)	-	-	241,096	308,506
Net change in fund balances	-	(43,729)	(88,537)	65,165	5,738	(61,363)
Fund balances - beginning of year	6,992	317,238	261,526	131,349	33,643	750,748
Change in prepaid expenditures	(3,869)	(55)	-	-	-	(3,924)
Fund balances - end of year	$ 3,123	$ 273,454	$ 172,989	$ 196,514	$ 39,381	$ 685,461

See accompanying Notes.

Clay County Clerk of the Circuit Court

Statement of Fiduciary Net Position
As of September 30, 2015

		Agency Funds
Assets		
Cash	$	6,499,593
Receivables		6,390
Total assets		6,505,983
Liabilities		
Assets held for others		6,360,376
Assets held for county agencies		145,607
Total liabilities		6,505,983
Net position	$	-

See accompanying Notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

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

The Office reports the following major governmental funds:

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

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

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

Information Technology Fund – This fund is used to account for additional service charges collected by the Office and required to be deposited into the Public Record Modernization Trust Fund to fund state-mandated court related technology needs of the Office.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Office reports the following nonmajor governmental funds:

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

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

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

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

The Office also reports the following fiduciary funds:

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

Fund Balance

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

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

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

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

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

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Office's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

by (a) the constitutional officer or (b) a body or official to which the constitutional officer has delegated the authority to assign amounts to be used for specific purposes.

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

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

Measurement Focus/Basis of Accounting

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

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

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

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

Capital Assets and Long-Term Liabilities

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

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

Cash and Cash Equivalents

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

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

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

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

NOTE 2 – INVESTMENTS

As of September 30, 2015, the Office's investment in FLGIT consists of the following:

Fund	Fair Value	Rating
Records modernization trust fund	$ 76,382	AAAf
Information technology fund	27,567	AAAf
CGD supplementary fee fund	1,170	AAAf
	$ 105,119	

NOTE 2 – INVESTMENTS (CONTINUED)

The weighted average life ("WAL") of FLGIT at September 30, 2015 was 1.53 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. Currently, the Office's policy is to follow Florida Statute 218.415 with regard to the investment of public funds which addresses credit risk. The Office does not have a formal policy for credit or interest rate risk.

NOTE 3 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities, which are not reported at the governmental fund level but reported in the government-wide financial statements of the County as part of governmental activities, is as follows:

	Balance October 1, 2014 (as restated)	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Net pension liability	$ 1,741,828	$ 1,125,065	$ -	$ 2,866,893	$ 40,700
Compensated absences	426,000	347,400	330,500	442,900	340,000
Total	$ 2,167,828	$ 1,472,465	$ 330,500	$ 3,309,793	$ 380,700

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above with a restatement of beginning balance for net pension liability of $1,741,828.

NOTE 4 – FUND BALANCE CLASSIFICATIONS

Balances of reported fund balance at September 30, 2015 are as follows:

	General Fund	Fine & Forfeiture Fund	Records Modern-zation Fund	Information Technology Fund	Other Governmental Funds	Total
Nonspendable-prepaid items	$ 3,123	$ 4,652	$ -	$ -	$ -	$ 7,775
Restricted for:						
Court operations	-	268,802	-	-	23,413	292,215
Court technology	-	-	-	196,514	-	196,514
Records modernization	-	-	172,989	-	-	172,989
Child support program	-	-	-	-	5,572	5,572
Archives	-	-	-	-	10,396	10,396
Total fund balances	$ 3,123	$ 273,454	$ 172,989	$196,514	$ 39,381	$ 685,461

NOTE 5 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

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

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

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

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $327,251 to the FRS and $45,322 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Net pension liability	$ 1,758,166	$ 1,108,727
Proportion at:		
Current measurement date	0.0136%	0.0109%
Prior measurement date	0.0125%	0.0105%
Pension expense (benefit)	$ 253,421	$ 84,879

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 185,610	$ 41,698	$ -	$ -
Changes of assumptions	116,695	-	87,228	-
Net difference between projected and actual earnings on pension plan investments	619,275	1,039,096	600	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	576,997	-	30,499	13,731
Employer contributions subsequent to the measurement date	82,892	-	14,559	-
Total	$ 1,581,469	$ 1,080,794	$ 132,886	$ 13,731

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ 53,083	$ 16,923
2017	53,083	16,923
2018	53,083	16,923
2019	53,082	16,923
2020	158,038	16,773
Thereafter	47,414	20,131
Total	$ 417,783	$ 104,596

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 4,555,806	$1,758,166	$ (569,930)	$ 1,263,343	$1,108,727	$ 979,801

NOTE 5 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $37,591.

NOTE 6 – RISK MANAGEMENT

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

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

NOTE 7 – OPERATING LEASE COMMITMENTS

The Office leases premises in Orange Park for office space. The lease is currently set to expire in 2016. The agreement calls for 3% annual increases effective July 1st of each year.

In addition to the rental payments above, the Office is also responsible for its share of the common area maintenance and real estate taxes estimated to be approximately $8,000 annually. For the year ended September 30, 2015, the Office incurred approximately $46,000 for these premises.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Charges for services	$ 1,043,649	$ 1,043,649	$ 1,122,522	$ 78,873
Miscellaneous revenue	-	-	3,439	3,439
Total revenues	1,043,649	1,043,649	1,125,961	82,312
Expenditures				
Current:				
General government:				
Personal services	656,644	683,269	649,564	33,705
Operating expenditures	520,620	636,760	546,003	90,757
Capital outlay	188,600	43,715	33,935	9,780
Court related:				
Personal services	74,550	75,970	66,742	9,228
Operating expenditures	5,085	5,785	2,708	3,077
Total expenditures	1,445,499	1,445,499	1,298,952	146,547
Excess of revenues over (under) expenditures	(401,850)	(401,850)	(172,991)	228,859
Other financing sources (uses)				
Appropriation from board of county commissioners	401,850	401,850	401,850	-
Reversion to board of county commissioners	-	-	(228,859)	(228,859)
Total other financing sources (uses)	401,850	401,850	172,991	(228,859)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	6,992	6,992
Change in prepaid expenditures	-	-	(3,869)	(3,869)
Fund balances – end of year	$ -	$ -	$ 3,123	$ 3,123

Notes to Schedule:

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fine and Forfeiture Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Intergovernmental	$ 472,222	$ 528,252	$ 559,633	$ 31,381
Charges for services	2,746,745	2,651,994	2,677,298	25,304
Fines and forfeitures	599,500	529,500	471,535	(57,965)
Miscellaneous revenues	-	-	87,186	87,186
Total revenues	3,818,467	3,709,746	3,795,652	85,906
Expenditures				
Court related:				
Personal services	3,643,173	3,535,208	3,534,220	988
Operating expenditures	196,049	203,370	197,536	5,834
Capital outlay	9,300	2,044	2,044	-
Total expenditures	3,848,522	3,740,622	3,733,800	6,822
Excess of revenues over (under) expenditures	(30,055)	(30,876)	61,852	92,728
Other financing sources (uses)				
Appropriation from board of county commissioners	2,000	2,821	2,821	-
Reversion to clerks of court operations corporation	-	-	(108,402)	(108,402)
Total other financing sources (uses)	2,000	2,821	(105,581)	(108,402)
Net change in fund balances	(28,055)	(28,055)	(43,729)	(15,674)
Fund balances – beginning of year	28,055	28,055	317,238	289,183
Change in prepaid expenditures	-	-	(55)	(55)
Fund balances – end of year	$ -	$ -	$ 273,454	$ 273,454

Notes to Schedule:

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Charges for services	$ 136,665	$ 136,665	$ 102,319	$ (34,346)
Fines and forfeitures	92,000	92,000	131,500	39,500
Miscellaneous revenues	-	-	668	668
Total revenues	228,665	228,665	234,487	5,822
Expenditures				
Current:				
General government				
Operating expenditures	166,661	166,661	87,813	78,848
Capital outlay	70,000	70,000	-	70,000
Court related				
Personal services	101,640	146,693	146,687	6
Operating expenditures	101,890	94,380	76,896	17,484
Capital outlay	50,000	12,457	11,628	829
Total expenditures	490,191	490,191	323,024	167,167
Excess of revenues over (under) expenditures	(261,526)	(261,526)	(88,537)	172,989
Fund balances – beginning of year	261,526	261,526	261,526	-
Fund balances – end of year	$ -	$ -	$ 172,989	$ 172,989

Notes to Schedule:

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Information Technology Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Charges for services	$ 282,050	$ 282,050	$ 315,071	$ 33,021
Miscellaneous revenues	850	850	241	(609)
Total revenues	282,900	282,900	315,312	32,412
Expenditures				
Court related:				
Personal services	54,200	54,200	20,623	33,577
Operating expenditures	310,049	310,049	223,305	86,744
Capital outlay	50,000	50,000	6,219	43,781
Total expenditures	414,249	414,249	250,147	164,102
Net change in fund balances	(131,349)	(131,349)	65,165	196,514
Fund balances – beginning of year	131,349	131,349	131,349	-
Fund balances – end of year	$ -	$ -	$ 196,514	$ 196,514

Notes to Schedule:

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

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0136%
Employer's proportionate share of the net pension liability (asset)	$	1,758,166
Employer's covered-employee payroll (2)	$	3,081,545
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		57.05%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0109%
Employer's proportionate share of the net pension liability (asset)	$	1,108,727
Employer's covered-employee payroll (2)	$	3,081,545
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		35.98%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 327,251
Contributions in relation to the contractually required contribution	327,251
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 3,101,655
Contributions as a percentage of covered-employee payroll	10.55%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 45,322
Contributions in relation to the contractually required contribution	45,322
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 3,101,655
Contributions as a percentage of covered-employee payroll	1.46%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2015

	BCC Technology Fund	CGD Supplementary Fee	Teen Court	Clay County Archives	Total
Assets					
Cash & cash equivalents	$ 64,549	$ 4,402	$ 23,413	$ 10,396	$ 102,760
Investments	-	1,170	-	-	1,170
Total assets	$ 64,549	$ 5,572	$ 23,413	$ 10,396	$ 103,930
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 2,945	$ -	$ -	$ -	$ 2,945
Due to other county agencies	61,604	-	-	-	61,604
Total liabilities	64,549	-	-	-	64,549
Fund balances:					
Restricted	-	5,572	23,413	10,396	39,381
Total liabilities and fund balances	$ 64,549	$ 5,572	$ 23,413	$ 10,396	$ 103,930

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	BCC Technology Fund	CGD Supplementary Fee	Teen Court	Clay County Archives	Total
Revenues					
Charges for services	$ -	$ 732	$ -	$ -	$ 732
Miscellaneous revenue	-	10	6,782	5,203	11,995
Total revenues	-	742	6,782	5,203	12,727
Expenditures					
General government:					
Operating expenditures	-	-	-	2,370	2,370
Court related:					
Personal services	94,017	-	-	-	94,017
Operating expenditures	123,899	-	4,619	-	128,518
Capital outlay	23,180	-	-	-	23,180
Total expenditures	241,096	-	4,619	2,370	248,085
Excess of revenues over (under) expenditures	(241,096)	742	2,163	2,833	(235,358)
Other financing source (uses)					
Appropriation from Board of County Commissioners	302,700	-	-	-	302,700
Reversion to Board of County Commissioners	(61,604)	-	-	-	(61,604)
Total other financing sources (uses)	241,096	-	-	-	241,096
Net change in fund balances	-	742	2,163	2,833	5,738
Fund balances - beginning of year	-	4,830	21,250	7,563	33,643
Fund balances - end of year	$ -	$ 5,572	$ 23,413	$ 10,396	$ 39,381

FIDUCIARY FUNDS – AGENCY FUNDS

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

Central Government Depository Fund – To account for the collection and disbursement of court-ordered alimony, child support payments and juvenile restitution.

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

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

Combining Statement of Fiduciary Net Position
Agency Funds
As of September 30, 2015

	General Trust Fund	Central Government Depository (CGD) Fund	Registry of Court Fund	Jury Witness Fund	Total
Assets					
Cash	$ 1,706,500	$ 4,603	$ 4,787,174	$ 1,316	$ 6,499,593
Receivables	4,965	1,425	-	-	6,390
Total assets	1,711,465	6,028	4,787,174	1,316	6,505,983
Liabilities					
Assets held for others	1,565,858	6,028	4,787,174	1,316	6,360,376
Assets held for county agencies	145,607	-	-	-	145,607
Total liabilities	1,711,465	6,028	4,787,174	1,316	6,505,983
Net position	$ -	$ -	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Clay County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 28, 2016. 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 Audit Findings

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

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT 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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Clay County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 28, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

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

We have examined the office of the Clay County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office'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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

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

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

We have examined the office of the Clay County Clerk of the Circuit Court's (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure,* during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office'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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

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

We have examined the office of the Clay County Clerk of Court's compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees,* during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office'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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016

Clay County Sheriff

Audit Report

September 30, 2015

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

The Honorable Rick Beseler
Sheriff
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the office of the Clay County Sheriff (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2015, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements

prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

We also draw attention to Note 4 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension trend information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

St. Augustine, Florida
June 28, 2016

Balance Sheet – Governmental Funds
As of September 30, 2015

	General Fund	Federal Forfeiture -Law Enforcement Trust Fund	Inmate Welfare Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash	$ 3,302,705	$ 501,456	$ 246,406	$ 154,436	$ 4,205,003
Accounts receivable	6,183	40	34,155	24	40,402
Due from other funds	7,534	-	4,160	-	11,694
Inventory	339,085	-	-	17,399	356,484
Total assets	$ 3,655,507	$ 501,496	$ 284,721	$ 171,859	$ 4,613,583
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 2,233,301	$ 270,000	$ 6,567	$ 3,082	$ 2,512,950
Due to other funds	4,055	-	6,601	-	10,656
Due to other county agencies	1,071,033	231,371	-	151,378	1,453,782
Due to other governmental units	8,033	-	-	-	8,033
Total liabilities	3,316,422	501,371	13,168	154,460	3,985,421
Fund balances:					
Nonspendable - inventory	339,085	-	-	17,399	356,484
Restricted:					
Special law enforcement	-	125	-	-	125
Benefit of inmates	-	-	271,553	-	271,553
Total fund balances	339,085	125	271,553	17,399	628,162
Total liabilities and fund balances	$ 3,655,507	$ 501,496	$ 284,721	$ 171,859	$ 4,613,583

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended September 30, 2015

	General Fund	Federal Forfeiture -Law Enforcement Trust Fund	Inmate Welfare Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Miscellaneous revenue	$ 3,758	$ 214	$ 342,190	$ 41	$ 346,203
Expenditures					
Current:					
Public safety:					
Personal services	32,052,542	-	195,260	126,090	32,373,892
Operating expenditures	6,493,564	62,004	112,033	205,167	6,872,768
Capital outlay	1,483,120	285,956	7,658	48,679	1,825,413
Court-related:					
Personal services	1,063,833	-	-	-	1,063,833
Operating expenditures	214,466	-	-	-	214,466
Total expenditures	41,307,525	347,960	314,951	379,936	42,350,372
Excess of revenues over (under) expenditures	(41,303,767)	(347,746)	27,239	(379,895)	(42,004,169)
Other financing sources (uses)					
Appropriations from board of county commissioners	42,327,973	309,200	-	531,273	43,168,446
Reversion to board of county commissioners	(1,024,206)	(231,371)	-	(151,378)	(1,406,955)
Total other financing sources (uses)	41,303,767	77,829	-	379,895	41,761,491
Net change in fund balances	-	(269,917)	27,239	-	(242,678)
Fund balances - beginning of year	288,488	270,042	244,314	14,311	817,155
Change in inventory	50,597	-	-	3,088	53,685
Fund balances - end of year	$ 339,085	$ 125	$ 271,553	$ 17,399	$ 628,162

See accompanying notes.

Statement of Fiduciary Net Position
Year ended September 30, 2015

		Agency Funds
Assets		
Cash	$	189,299
Amounts due from others		35,558
Due from other funds		85
Total assets		224,942
Liabilities		
Assets held for others		134,388
Due to other funds		1,123
Due to other county agencies		89,431
Total liabilities		224,942
Net position	$	-

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

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

The Office reports the following major governmental funds:

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

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

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

The Office also reports the following fiduciary fund:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

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

The Office defines capital assets as assets with an initial useful life in excess of one year and a cost of more than $1,000. Capital assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Furniture & Equipment	5-10 years
Vehicles	4 years

Inventory

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

Accounts receivable

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

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

NOTE 2 – INVENTORY

Inventories consist of:

Auto parts and supplies	$	37,149
Radio parts		66,536
Armory weapons and ammunition		252,799
Total inventory	$	356,484

NOTE 3 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
Capital assets being depreciated:				
Tangible personal property	$ 21,324,701	$ 1,826,806	$ 1,556,296	$ 21,595,211
Less accumulated depreciation:				
Tangible personal property	17,451,365	1,914,991	1,545,822	17,820,534
Total net capital assets	$ 3,873,336	$ (88,185)	$ 10,474	$ 3,774,677

NOTE 3 – CHANGES IN CAPITAL ASSETS (CONTINUED)

Depreciation expense of $1,914,991 applies to the public safety function reported in the County's governmental activities.

NOTE 4 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities, which are not reported at the governmental fund level, but reported in the government-wide financial statements of the County as part of the governmental activities, is as follows:

	Balance October 1, 2014 (as restated)	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Net pension liability	$16,349,142	$10,189,596	$ -	$ 26,538,738	$ 321,600
Compensated absences	6,721,450	5,009,789	5,219,640	6,511,599	5,246,500
Total	$23,070,592	$15,199,385	$ 5,219,640	$ 33,050,337	$ 5,568,100

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above with a restatement of beginning balance for net pension liability of $16,349,142.

NOTE 5 – INTERFUND BALANCES

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

	Due from Other Funds	Due to Other Funds
General fund	$ 7,534	$ 4,055
Inmate welfare fund	4,160	6,601
Agency funds	85	1,123
Totals	$ 11,779	$ 11,779

NOTE 6 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the

Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

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

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

Benefits Provided

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

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

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $3,480,479 to the FRS and $361,040 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 17,782,045	$ 8,756,693
Proportion at:		
Current measurement date	0.1377%	0.0859%
Prior measurement date	0.1370%	0.0855%
Pension expense (benefit)	$ 1,059,894	$ 666,997

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,877,257	$ 421,736	$ -	$ -
Changes of assumptions	1,180,254	-	688,923	-
Net difference between projected and actual earnings on pension plan investments	6,263,329	10,509,384	4,741	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	94,347	985,652	80,781	-
Employer contributions subsequent to the measurement date	1,051,069	-	123,387	-
Total	$ 10,466,256	$ 11,916,772	$ 897,832	$ -

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ (732,369)	$ 125,331
2017	(732,369)	125,331
2018	(732,369)	125,331
2019	(732,369)	125,331
2020	329,146	124,146
Thereafter	98,745	148,975
Total	$(2,501,585)	$ 774,445

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 46,077,300	$17,782,045	$ (5,764,255)	$ 9,977,844	$ 8,756,693	$ 7,738,437

NOTE 6 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $1,134,854.

NOTE 7 – RISK MANAGEMENT

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

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

The Office also participates in the Florida Sheriffs' self-insurance fund, a public entity risk pool, for risk related to professional police liability and certain tangible personal property. Aggregate coverage is $5,000,000. The Office had no settlements that exceeded coverage and has not received additional assessments from the pool in the previous three fiscal years.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
Revenues				
Miscellaneous revenue	$ -	$ -	$ 3,758	$ 3,758
Expenditures				
Current:				
Public safety:				
Personal services	32,800,331	32,545,331	32,052,542	492,789
Operating expenditures	6,860,000	6,951,320	6,493,564	457,756
Capital outlay	1,300,000	1,520,371	1,483,120	37,251
Court related:				
Personal services	1,031,251	1,081,251	1,063,833	17,418
Operating expenditures	229,700	229,700	214,466	15,234
Total expenditures	42,221,282	42,327,973	41,307,525	1,020,448
Excess of revenues under expenditures	(42,221,282)	(42,327,973)	(41,303,767)	1,024,206
Other financing sources (uses)				
Appropriation from board of county commissioners	42,221,282	42,327,973	42,327,973	-
Reversion to board of county commissioners	-	-	(1,024,206)	(1,024,206)
Total other financing sources (uses)	42,221,282	42,327,973	41,303,767	(1,024,206)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	288,488	288,488
Change in inventory	-	-	50,597	50,597
Fund balances - end of year	$ -	$ -	$ 339,085	$ 339,085

Notes to schedule:

The budget is prepared on a basis that does not differ materially from generally accepted accounting principles. Its preparation, adoption, and amendment is governed by Florida Statutes. The fund is the legal level of control. Budgets for the Federal Forfeiture-Law Enforcement Trust Fund and Inmate Welfare Fund are not legally adopted. Accordingly, budget and actual schedules are not presented for these funds.

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.1377%
Employer's proportionate share of the net pension liability (asset)	$	17,782,045
Employer's covered-employee payroll (2)	$	25,933,386
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		68.57%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0859%
Employer's proportionate share of the net pension liability (asset)	$	8,756,693
Employer's covered-employee payroll (2)	$	25,933,386
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.77%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 3,480,479
Contributions in relation to the contractually required contribution	3,480,479
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 26,181,037
Contributions as a percentage of covered-employee payroll	13.29%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 361,040
Contributions in relation to the contractually required contribution	361,040
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 26,181,037
Contributions as a percentage of covered-employee payroll	1.38%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

Supplementary Information

Combining Schedule of Expenditures - General Fund
Year ended September 30, 2015

	Court Costs	Law Enforcement	Corrections/ Detention	Total
Personal services:				
Executive salaries	$ -	$ 138,594	$ -	$ 138,594
Regular salaries and wages	835,565	18,455,377	6,217,661	25,508,603
Other salaries and wages	-	66,675	48,094	114,769
Overtime	473	178,821	98,270	277,564
Special pay	9,841	418,318	113,398	541,557
FICA taxes	63,822	1,407,673	472,856	1,944,351
Retirement contributions	140,329	3,144,248	1,138,502	4,423,079
Life and health benefits	9,473	108,700	40,543	158,716
Unemployment compensation	4,330	3,629	1,183	9,142
Total personal services	1,063,833	23,922,035	8,130,507	33,116,375
Operating expenditures:				
Professional services - inmate medical	-	-	910,993	910,993
Professional services - other	1,304	45,539	8,853	55,696
Contractual services - inmate food	-	-	533,642	533,642
Contractual services - licenses and support	6,110	646,766	51,019	703,895
Contractual services - other	178,591	160,518	57,937	397,046
Investigations	-	12,833	168	13,001
Travel and per diem	272	63,866	22,245	86,383
Communication services	5,787	414,527	44,834	465,148
Freight and postage	49	30,366	2,218	32,633
Utility services	-	2,135	-	2,135
Rentals and leases	-	74,613	9,904	84,517
Insurance	10,062	608,885	154,385	773,332
Repair and maintenance services	-	324,108	19,841	343,949
Printing and binding	-	5,597	22	5,619
Promotional activities - advertising	-	24,166	-	24,166
Other current charges and obligations	-	16,868	3,331	20,199
Office supplies and materials	-	152,628	4,340	156,968
Operating supplies and materials	10,205	1,424,157	443,043	1,877,405
Dues, memberships, subscriptions and books	772	29,910	4,926	35,608
Training and education	1,314	146,699	37,682	185,695
Total operating expenditures	214,466	4,184,181	2,309,383	6,708,030
Capital outlay:				
Data processing equipment	-	276,923	-	276,923
Machinery and equipment	-	132,082	4,937	137,019
Vehicles	-	1,020,182	48,996	1,069,178
Total capital outlay	-	1,429,187	53,933	1,483,120
Total expenditures	$ 1,278,299	$ 29,535,403	$ 10,493,823	$ 41,307,525

Clay County Sheriff's Office – Fund Descriptions

Non-Major Governmental Funds

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

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

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

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

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

Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2015

	Grant Fund	2nd Dollar Sheriff Education Fund	Drug Investigative Fund	Crime Prevention Program Fund	$12.50 Motor Vehicle Surcharge Fund	Total
Assets						
Cash and equivalents	$ 63,417	$ 24,093	$ 33,910	$ 15,083	$ 17,933	$ 154,436
Accounts receivable	24	-	-	-	-	24
Inventory	-	-	-	-	17,399	17,399
Total assets	$ 63,441	$ 24,093	$ 33,910	$ 15,083	$ 35,332	$ 171,859
Liabilities and fund balances						
Liabilities						
Accounts payable and accrued liabilities	$ 1,662	$ 595	$ -	$ -	$ 825	$ 3,082
Due to other county agencies	61,779	23,498	33,910	15,083	17,108	151,378
Total liabilities	63,441	24,093	33,910	15,083	17,933	154,460
Fund balances						
Nonspendable - inventory	-	-	-	-	17,399	17,399
Total liabilities and fund balances	$ 63,441	$ 24,093	$ 33,910	$ 15,083	$ 35,332	$ 171,859

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended September 30, 2015

	Grant Fund	2nd Dollar Sheriff Education Fund	Drug Investigative Fund	Crime Prevention Program Fund	$12.50 Motor Vehicle Surcharge Fund	Total
Revenues						
Miscellaneous revenue	$ -	$ 1	$ 16	$ 13	$ 11	$ 41
Expenditures						
Public safety:						
Personal services	51,090	-	-	75,000	-	126,090
Operating expenditures	18,955	26,503	16,876	19,930	122,903	205,167
Capital outlay	34,449	-	14,230	-	-	48,679
Total expenditures	104,494	26,503	31,106	94,930	122,903	379,936
Excess of revenues over (under) expenditures	(104,494)	(26,502)	(31,090)	(94,917)	(122,892)	(379,895)
Other financing sources (uses)						
Appropriation from board of county commissioners	166,273	50,000	65,000	110,000	140,000	531,273
Reversion to board of county commissioners	(61,779)	(23,498)	(33,910)	(15,083)	(17,108)	(151,378)
Total other financing sources	104,494	26,502	31,090	94,917	122,892	379,895
Net change in fund balances	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	-	14,311	14,311
Change in inventory	-	-	-	-	3,088	3,088
Fund balances - end of year	$ -	$ -	$ -	$ -	$ 17,399	$ 17,399

Clay County Sheriff's Office – Fund Descriptions

Fiduciary Funds – Agency Funds

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

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

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

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

Combining Statement of Fiduciary Net Position
Agency Funds
As of September 30, 2015

	Depositors Fund	Seized Assets Fund	Inmate Fund	Total Agency Funds
Assets				
Cash	$ 39,605	$ 128,834	$ 20,860	$ 189,299
Amounts due from others	20,816	-	14,742	35,558
Due from other funds	-	85	-	85
Total assets	60,421	128,919	35,602	224,942
Liabilities				
Assets held for others	40	105,950	28,398	134,388
Due to other funds	-	933	190	1,123
Due to other county agencies	60,381	22,036	7,014	89,431
Total liabilities	60,421	128,919	35,602	224,942
Net position	$ -	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

The Honorable Rick Beseler
Sheriff
Clay County, Florida

We have audited the financial statements of the office of the Clay County Sheriff (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 28, 2016. 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 Audit Findings

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

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT 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*

The Honorable Rick Beseler
Sheriff
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Clay County Sheriff (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 28, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Rick Beseler
Sheriff
Clay County, Florida

We have examined the office of the Clay County Sheriff's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office'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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016

Clay County Tax Collector

Audit Report

September 30, 2015

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September 30, 2015

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Clay County Tax Collector (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of the Office as of September 30, 2015, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

We also draw attention to Note 3 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension trend information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's special purpose financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the special purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special purpose financial statements or to the special purpose

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special purpose financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

St. Augustine, Florida
June 28, 2016

Balance Sheet – Governmental Funds
As of September 30, 2015

	General Fund
Assets	
Equity in pooled cash and equivalents	$ 1,113,773
Due from other funds	124,280
Total assets	$ 1,238,053
Liabilities and fund balance	
Liabilities	
Due to other county agencies	$ 1,225,559
Due to other governments	12,494
Total liabilities	1,238,053
Fund balance	-
Total liabilities and fund balance	$ 1,238,053

See accompanying notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

		General Fund
Revenues		
Charges for services	$	4,975,956
Miscellaneous revenue		49,881
Total revenues		5,025,837
Expenditures		
General government services:		
Personal services		2,880,572
Operating expenditures		822,298
Capital outlay		98,753
Total expenditures		3,801,623
Excess of revenues over expenditures		1,224,214
Other financing uses		
Reversion to board of county commissioners		(1,224,214)
Net change in fund balance		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

See accompanying notes.

Statement of Fiduciary Net Position
As of September 30, 2015

	Agency Fund
Assets	
Equity in pooled cash and equivalents	$ 2,377,961
Accounts receivable	52,708
Total assets	2,430,669
Liabilities	
Assets held for others	2,186,800
Due to other funds	124,280
Due to other county agencies	119,589
Total liabilities	2,430,669
Net position	$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented the reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Capital Assets and Long-Term Liabilities

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

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

Equity in Pooled Cash and Equivalents

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

Pensions

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

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

NOTE 2 – INTERFUND BALANCES

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

	Due From Other Funds	Due To Other Funds
General fund	$ 124,280	$ -
Agency funds:		
General property taxes	-	11,989
Vehicle tags	-	72,974
Drivers licenses	-	39,317
Total	$ 124,280	$ 124,280

NOTE 3 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities, which are not reported at the governmental fund level but reported in the government-wide financial statements of the County as part of the governmental activities, is as follows:

	Balance October 1, 2014 (as restated)	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Net pension liabilities	$ 1,127,031	$ 519,645	$ -	$ 1,646,676	$ 29,400
Compensated absences	362,000	176,000	180,000	358,000	179,000
Total	$ 1,489,031	$ 695,645	$ 180,000	$ 2,004,676	$ 208,400

NOTE 3 – LONG-TERM LIABILITIES (CONTINUED)

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above with a restatement of beginning balance for net pension liability of $1,127,031.

NOTE 4 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

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

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

Benefits Provided

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

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $155,278 to the FRS and $32,541 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 844,925	$ 801,751
Proportion at:		
Current measurement date	0.0065%	0.0079%
Prior measurement date	0.0066%	0.0077%
Pension expense (benefit)	$ 68,470	$ 59,202

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 89,199	$ 20,039	$ -	$ -
Changes of assumptions	56,080	-	63,077	-
Net difference between projected and actual earnings on pension plan investments	297,606	499,360	434	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	41,273	8,138	9,091	10,371
Employer contributions subsequent to the measurement date	34,357	-	9,677	-
Total	$ 518,515	$ 527,537	$ 82,279	$ 10,371

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ (20,556)	$ 10,076
2017	(20,556)	10,076
2018	(20,556)	10,076
2019	(20,556)	10,076
2020	29,880	9,965
Thereafter	8,965	11,962
Total	$ (43,379)	$ 62,231

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

NOTE 4 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 2,189,393	$ 844,925	$ (273,892)	$ 913,557	$ 801,751	$ 708,520

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $41,111.

NOTE 5 – OPERATING LEASE COMMITMENTS

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

Year ended September 30,		
2016	$	86,145
2017		86,523
2018		86,911
2019		81,878
Total	$	341,457

In addition to the rental payments above, the Office is also responsible for its share of the common area maintenance and real estate taxes. For the year ended September 30, 2015, the Office incurred approximately $107,000 for these premises.

NOTE 6 – RISK MANAGEMENT

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

NOTE 7 – SUBSEQUENT EVENTS

Subsequent to year end, the Florida Department of Revenue approved the funding of improvements to the Orange Park office at the estimated cost of $82,000.

NOTE 8 – LITIGATION AND CONTINGENT LIABILITIES

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	$ 3,934,131	$ 3,934,595	$ 4,975,956	$ 1,041,361
Miscellaneous revenue	-	-	49,881	49,881
Total revenues	3,934,131	3,934,595	5,025,837	1,091,242
Expenditures				
Current:				
General government services:				
Personal services	2,944,626	2,945,090	2,880,572	64,518
Operating expenditures	885,862	885,862	822,298	63,564
Capital outlay	103,643	103,643	98,753	4,890
Total expenditures	3,934,131	3,934,595	3,801,623	132,972
Excess of revenues over expenditures	-	-	1,224,214	1,224,214
Other financing uses				
Reversion to board of county commissioners	-	-	(1,224,214)	(1,224,214)
Net change in fund balances	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	$ -	$ -	$ -	$ -

Notes to schedule:

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

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0065%
Employer's proportionate share of the net pension liability (asset)	$	844,925
Employer's covered-employee payroll (2)	$	2,395,859
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		35.27%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0079%
Employer's proportionate share of the net pension liability (asset)	$	801,751
Employer's covered-employee payroll (2)	$	2,395,859
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.46%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System	2015
Contractually required contribution	$ 155,278
Contributions in relation to the contractually required contribution	155,278
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 2,408,236
Contributions as a percentage of covered-employee payroll	6.45%

Health Insurance Subsidy Program	2015
Contractually required contribution	$ 32,541
Contributions in relation to the contractually required contribution	32,541
Contribution deficiency (excess)	$ -
Employer's covered-employee payroll (1)	$ 2,408,236
Contributions as a percentage of covered-employee payroll	1.35%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

Supplementary Information

FIDUCIARY FUNDS

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

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

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

Drivers Licenses – To account for the collection and disbursement of collections for drivers license fees on behalf of various State agencies.

Combining Statement of Fiduciary Net Position
Agency Funds
As of September 30, 2015

	General Property Taxes	Vehicle Tags	Sports Licenses	Drivers Licenses	Total
Assets					
Equity in pooled cash and equivalents	$ 2,148,723	$ 189,231	$ 690	$ 39,317	$ 2,377,961
Accounts receivable	49,348	3,360	-	-	52,708
Total assets	2,198,071	192,591	690	39,317	2,430,669
Liabilities					
Assets held for others	2,084,364	101,746	690	-	2,186,800
Due to other funds	11,989	72,974	-	39,317	124,280
Due to other county agencies	101,718	17,871	-	-	119,589
Total liabilities	2,198,071	192,591	690	39,317	2,430,669
Net position	$ -	$ -	$ -	$ -	$ -

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

We have audited the financial statements of the office of the Clay County Tax Collector (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 28, 2016. 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 Audit Findings

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

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT 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*

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Clay County Tax Collector (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 28, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

We have examined the office of the Clay County Tax Collector's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office'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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016

Clay County Property Appraiser

Audit Report

September 30, 2015

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Clay County Property Appraiser (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2015, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

We also draw attention to Note 2 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension trend information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

St. Augustine, Florida
June 28, 2016

Clay County Property Appraiser

Balance Sheet – Governmental Funds
As of September 30, 2015

		General Fund
Assets		
Cash and equivalents	$	121,115
Accounts receivable		40,846
Total assets	$	161,961
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	71,928
Due to other governments		1,619
Due to other county agencies		88,414
Total liabilities		161,961
Fund balance		-
Total liabilities and fund balance	$	161,961

See accompanying Notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

		General Fund
Revenues		
Charges for services	$	48,656
Miscellaneous revenues		4,300
Total revenues		52,956
Expenditures		
Current:		
General government:		
Personal services		1,929,097
Operating expenditures		513,701
Capital outlay		31,393
Total expenditures		2,474,191
Excess of revenues under expenditures		(2,421,235)
Other financing sources (uses)		
Appropriation from board of county commissioners		2,501,775
Reversion to board of county commissioners		(80,540)
Total other financing sources		2,421,235
Net change in fund balance		-
Fund balance - beginning of year		-
Fund balance - end of year	$	-

See accompanying Notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

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

The Office reports the following major governmental fund:

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

Fund Balance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Liabilities

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

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

Cash and Equivalents

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

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

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

NOTE 2 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities, which are not reported at the governmental fund level but reported in the government-wide financial statements of the County as part of governmental activities, is as follows:

	Balance October 1, 2014 (as restated)	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Net pension liabilities	$ 807,588	$ 474,211	$ -	$ 1,281,799	$ 19,900
Compensated absences	330,000	199,700	175,000	354,700	178,000
Total	$ 1,137,588	$ 673,911	$ 175,000	$ 1,636,499	$ 197,900

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above with a restatement of beginning balance for net pension liability of $807,588.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

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

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $141,590 to the FRS and $21,906 to the HIS.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability	$ 738,542	$ 543,257
Proportion at:		
Current measurement date	0.0057%	0.0053%
Prior measurement date	0.0053%	0.0052%
Pension expense (benefit)	$ 88,179	$ 41,124

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 77,968	$ 17,516	$ -	$ -
Changes of assumptions	49,020	-	42,740	-
Net difference between projected and actual earnings on pension plan investments	260,135	436,487	294	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	162,565	-	11,320	6,105
Employer contributions subsequent to the measurement date	31,642	-	6,141	-
Total	$ 581,330	$ 454,003	$ 60,495	$ 6,105

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Year ending September 30,	FRS	HIS
2016	$ 7,240	$ 7,809
2017	7,240	7,809
2018	7,240	7,809
2019	7,240	7,807
2020	51,328	7,735
Thereafter	15,397	9,280
Total	$ 95,685	$ 48,249

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 1,913,730	$ 738,542	$ (239,407)	$ 619,017	$ 543,257	$ 480,086

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $42,985.

NOTE 4 – CONTINGENCIES AND COMMITMENTS

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

NOTE 5 – RISK MANAGEMENT

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

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Charges for services	$ 49,785	$ 50,275	$ 48,656	$ (1,619)
Miscellaneous	-	-	4,300	4,300
Total revenues	49,785	50,275	52,956	2,681
Expenditures				
Current:				
General government:				
Personal services	1,933,704	1,959,472	1,929,097	30,375
Operating expenditures	617,856	561,182	513,701	47,481
Capital outlay	-	31,396	31,393	3
Total expenditures	2,551,560	2,552,050	2,474,191	77,859
Excess of revenues over (under) expenditures	-	(2,501,775)	(2,421,235)	80,540
Other financing sources (uses)				
Appropriation from board of county commissioners	2,501,775	2,501,775	2,501,775	-
Reversion to board of county commissioners	-	-	(80,540)	(80,540)
Total other financing sources (uses)	-	2,501,775	2,421,235	(80,540)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Fund balances – end of year	$ -	$ -	$ -	$ -

Notes to Schedule:

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

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0057%
Employer's proportionate share of the net pension liability (asset)	$	738,542
Employer's covered-employee payroll (2)	$	1,616,085
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		45.70%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0053%
Employer's proportionate share of the net pension liability (asset)	$	543,257
Employer's covered-employee payroll (2)	$	1,616,085
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System		2015
Contractually required contribution	$	141,590
Contributions in relation to the contractually required contribution		141,590
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	1,621,059
Contributions as a percentage of covered-employee payroll		8.73%

Health Insurance Subsidy Program		2015
Contractually required contribution	$	21,906
Contributions in relation to the contractually required contribution		21,906
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	1,621,059
Contributions as a percentage of covered-employee payroll		1.35%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

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

We have audited the financial statements of the office of the Clay County Property Appraiser (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 28, 2016. 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 Audit Findings

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

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

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

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT 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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Clay County Property Appraiser (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 28, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

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

We have examined the office of the Clay County Property Appraiser's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office'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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016

Clay County
Supervisor of Elections
Audit Report

September 30, 2015

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September 30, 2015

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CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Chris H. Chambless
Supervisor of Elections
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Clay County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Office as of September 30, 2015, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which describes that the accompanying financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are special purpose financial statements that do not constitute a complete presentation, but otherwise constitute financial statements prepared in accordance with generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

We also draw attention to Note 2 to the financial statements, which indicates that the Office disclosed a net pension liability as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension trend information be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

St. Augustine, Florida
June 28, 2016

Clay County Supervisor of Elections

Balance Sheet – Governmental Funds
September 30, 2015

		General Fund
Assets		
Cash	$	392,606
Receivables		4,365
Total assets	$	396,971
Liabilities and fund balance		
Liabilities:		
Accounts payable and accrued liabilities	$	23,600
Due to other county agencies		207,722
Total liabilities		231,322
Fund balance:		
Restricted - state elections grants		165,649
Total liabilities and fund balance	$	396,971

See accompanying Notes.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year ended September 30, 2015

		General Fund
Revenues		
Intergovernmental	$	33,348
Miscellaneous revenues		6,523
Total revenues		39,871
Expenditures		
Current:		
General government:		
Personal services		818,441
Operating expenditures		421,985
Capital outlay		23,938
Total expenditures		1,264,364
Excess of revenues under expenditures		(1,224,493)
Other financing sources (uses)		
Appropriation from board of county commissioners		1,455,225
Reversion to board of county commissioners		(207,722)
Total other financing sources		1,247,503
Net change in fund balance		23,010
Fund balance - beginning of year		142,639
Fund balance - end of year	$	165,649

See accompanying Notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the "Rules"). These special purpose financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Office has not presented reconciliations to the government-wide financial statements, the government-wide financial statements, or management's discussion and analysis. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements.

Fund Accounting

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

The Office reports the following major governmental fund:

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

Fund Balance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Liabilities

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

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

Cash

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

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

Use of Estimates

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

NOTE 2 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities, which are not reported at the governmental fund level but reported in the government-wide financial statements of the County as part of governmental activities, is as follows:

	Balance October 1, 2014 (as restated)	Additions	Deductions	Balance September 30, 2015	Due Within One Year
Net pension liability	$ 328,474	$ 277,932	$ -	$ 606,406	$ 7,000
Compensated absences	43,000	48,000	41,000	50,000	19,000
Long-term liabilities	$ 371,474	$ 325,932	$ 41,000	$ 656,406	$ 26,000

During 2015, the Office implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* As a result, a net pension liability is disclosed in the tabulation of changes in long-term liabilities presented above with a restatement of beginning balance for net pension liability of $328,474.

NOTE 3 – STATE OF FLORIDA PENSION PLANS

Defined Benefit Plans

The Office participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

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

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

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Benefits Provided

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

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

Contributions

The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The Office's contribution rates as of September 30, 2015, were as follows:

	FRS	HIS
Regular class	5.60%	1.66%
Special risk class	20.38%	1.66%
Senior management service class	19.77%	1.66%
Elected officials	40.61%	1.66%
DROP from FRS	11.22%	1.66%

The Office's contributions for the year ended September 30, 2015, were $78,556 to the FRS and $7,860 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2015, the Office reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2015. The Office's proportions of the net pension liabilities were based on the Office's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

	FRS	HIS
Net pension liability	$ 414,820	$ 191,586
Proportion at:		
Current measurement date	0.0032%	0.0019%
Prior measurement date	0.0027%	0.0018%
Pension expense (benefit)	$ 76,457	$ 13,146

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 43,793	$ 9,838	$ -	$ -
Changes of assumptions	27,533	-	15,073	-
Net difference between projected and actual earnings on pension plan investments	146,112	245,164	103	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	214,221	-	9,250	13,617
Employer contributions subsequent to the measurement date	20,999	-	2,602	-
Total	$ 452,658	$ 255,002	$ 27,028	$ 13,617

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2016. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending September 30,	FRS	HIS
2016	$ 27,258	$ 1,753
2017	27,258	1,753
2018	27,258	1,753
2019	27,258	1,753
2020	52,021	1,727
Thereafter	15,604	2,070
Total	$ 176,657	$ 10,809

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2015, was determined by an actuarial valuation dated July 1, 2015, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.65%	N/A
Discount rate	7.65%	3.80%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2015 were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2015:

FRS: No changes in key actuarial assumptions.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 4.29% to 3.80%.

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

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return
Cash	1%	3.2%	3.1%
Fixed income	18%	4.8%	4.7%
Global equity	53%	8.5%	7.2%
Real estate (property)	10%	6.8%	6.2%
Private equity	6%	11.9%	8.2%
Strategic investments	12%	6.7%	6.1%
	100%		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.65%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

	FRS			HIS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Employer's proportionate share of the net pension liability	$ 1,074,894	$ 414,820	$ (134,469)	$ 218,304	$ 191,586	$ 169,308

NOTE 3 – STATE OF FLORIDA PENSION PLANS (CONTINUED)

Pension Plans' Fiduciary Net Position

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

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2015, totaled $19,300.

NOTE 4 – RISK MANAGEMENT

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

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

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
Year ended September 30, 2015

	Budgeted Amounts			Variance
	Original	Final	Actual	With Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ 33,348	$ 33,348
Miscellaneous	-	-	6,523	6,523
Total revenues	-	-	39,871	39,871
Expenditures				
Current:				
General government:				
Personal services	894,630	894,630	818,441	76,189
Operating expenditures	496,335	496,335	421,985	74,350
Capital outlay	64,260	64,260	23,938	40,322
Total expenditures	1,455,225	1,455,225	1,264,364	190,861
Excess of revenues over (under) expenditures	(1,455,225)	(1,455,225)	(1,224,493)	230,732
Other financing source (uses)				
Appropriation from board of county commissioners	1,455,225	1,455,225	1,455,225	-
Reversion to board of county commissioners	-	-	(207,722)	(207,722)
Total other financing sources (uses)	1,455,225	1,455,225	1,247,503	(207,722)
Net change in fund balances	-	-	23,010	23,010
Fund balances - beginning of year	-	-	142,639	142,639
Fund balances - end of year	$ -	$ -	$ 165,649	$ 165,649

Notes to Schedule:

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

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

Florida Retirement System		2015
Employer's proportion of the net pension liability (asset)		0.0032%
Employer's proportionate share of the net pension liability (asset)	$	414,820
Employer's covered-employee payroll (2)	$	569,926
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		72.78%
Plan fiduciary net position as a percentage of the total pension liability		92.00%

Health Insurance Subsidy Program		2015
Employer's proportion of the net pension liability (asset)		0.0019%
Employer's proportionate share of the net pension liability (asset)	$	191,586
Employer's covered-employee payroll (2)	$	569,926
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		33.62%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

Notes to schedules:

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

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

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

Schedules of Employer Contributions
Last 10 Fiscal Years

Florida Retirement System		2015
Contractually required contribution	$	78,556
Contributions in relation to the contractually required contribution		78,556
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	574,025
Contributions as a percentage of covered-employee payroll		13.69%

Health Insurance Subsidy Program		2015
Contractually required contribution	$	7,860
Contributions in relation to the contractually required contribution		7,860
Contribution deficiency (excess)	$	-
Employer's covered-employee payroll (1)	$	574,025
Contributions as a percentage of covered-employee payroll		1.37%

Notes to schedules:
(1) Covered-employee payroll includes defined benefit plan actives, investment plan members, and members in DROP.

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

Additional Elements Required by the Rules of the Auditor General

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

MANAGEMENT LETTER

The Honorable Chris H. Chambless
Supervisor of Elections
Clay County, Florida

We have audited the financial statements of the office of the Clay County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2015, and have issued our report thereon dated June 28, 2016. 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 Audit Findings

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

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT 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*

The Honorable Chris H. Chambless
Supervisor of Elections
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Clay County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 28, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

St. Augustine, Florida
June 28, 2016

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

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

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Chris H. Chambless
Supervisor of Elections
Clay County, Florida

We have examined the office of the Clay County Supervisor of Elections' (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2015. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Office'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 Office's compliance with specified requirements.

In our opinion, the Office complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

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

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

St. Augustine, Florida
June 28, 2016