Clay County, Florida

County Audit Report
September 30, 2014

McGladrey

Assurance ▪ Tax ▪ Consulting

Clay County, Florida
County Audit Report
September 30, 2014
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Clay County, Florida

County-Wide Financial Report
September 30, 2014

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Independent Auditors' Report

To the Board of 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, 2014, 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, the County's discretely presented component unit. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the Housing Finance Authority of Clay County, is 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.

Opinions

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 respective 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, 2014, and the respective 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and the other post employment benefits schedules of funding progress and employer contributions 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.

Supplementary 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 and individual fund statements and schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.550*, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2015 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.

McGladrey LLP

Jacksonville, Florida
March 12, 2015

Clay County, Florida

Management's Discussion and Analysis (Unaudited)

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, 2014. 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 2014 by $421,769,097. $397,522,768 is from Governmental activities while $24,246,329 is from Business-type activities. Of this amount $20,357,372 may be used to meet the ongoing obligations to citizens and creditors.
- The County's revenues exceeded its expenses by $4,202,285 for the fiscal year.
- Outstanding long-term obligations as of September 30, 2014 were $69,355,044. Of this amount $9,703,782 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 1-3 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 4-7 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 8-10 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 11 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 12-31 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 obligation. Required supplementary information can be found on pages 32-35 of this report.

The combining statements referred to earlier in connection with non-major governmental funds can be found on pages 36-67 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 68-70.

Requirements of the Auditor General are also presented on pages 71-82.

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 $421,769,097 at the close of the fiscal year ended September 30, 2014.

At the end of the fiscal year 2014, the County is able to report a positive net position in all three categories.

County of Clay, Florida
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current & Other Assets	$117,238,030	$116,855,925	$24,581,481	$23,296,143	$141,819,511	$140,152,068
Capital Assets	358,202,067	361,496,135	4,490,915	4,631,052	362,692,982	366,127,187
Total Assets	475,440,097	478,352,060	29,072,396	27,927,195	504,512,493	506,279,255
Noncurrent Liabilities Outstanding	66,196,432	72,227,453	3,158,612	3,475,739	69,355,044	75,703,192
Other Liabilities	11,720,897	11,352,155	1,667,455	1,657,096	13,388,352	13,009,251
Total Liabilities	77,917,329	83,579,608	4,826,067	5,132,835	82,743,396	88,712,443
Net Position:						
Invested in Capital Assets, net of related debt	343,463,643	347,823,560	4,490,915	4,631,052	347,954,558	352,454,612
Restricted	53,457,167	41,170,745	-	-	53,457,167	41,170,745
Unrestricted	601,958	5,778,147	19,755,414	18,163,308	20,357,372	23,941,455
Total Net Position	$397,522,768	$394,772,452	$24,246,329	$22,794,360	$421,769,097	$417,566,812

The largest portion of the County's net position (82.5%) 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, 12.7%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position ($20,357,372 or 4.8%) may be used to meet the government's ongoing obligation to citizens and creditors.

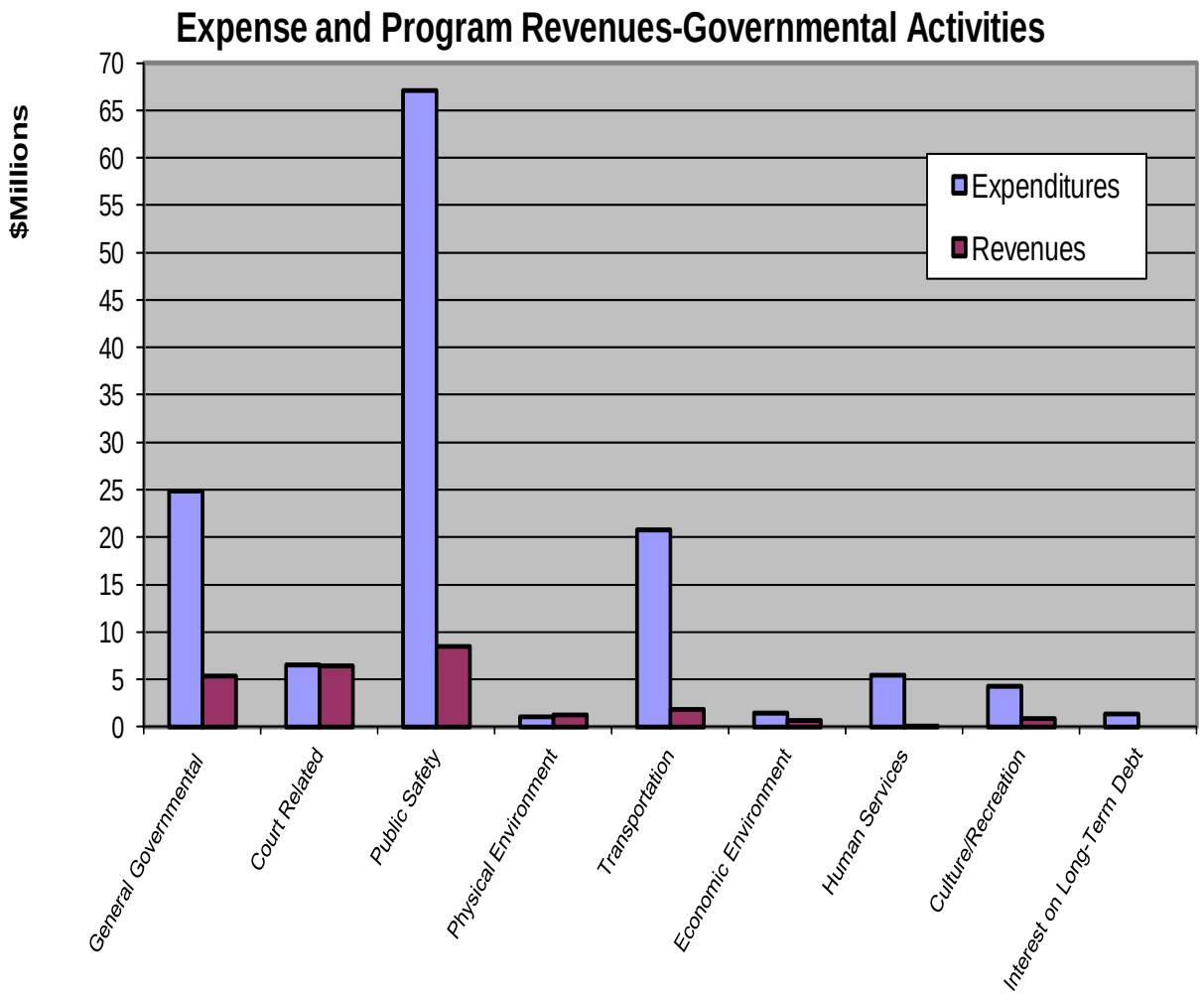
Management's Discussion and Analysis (Unaudited)

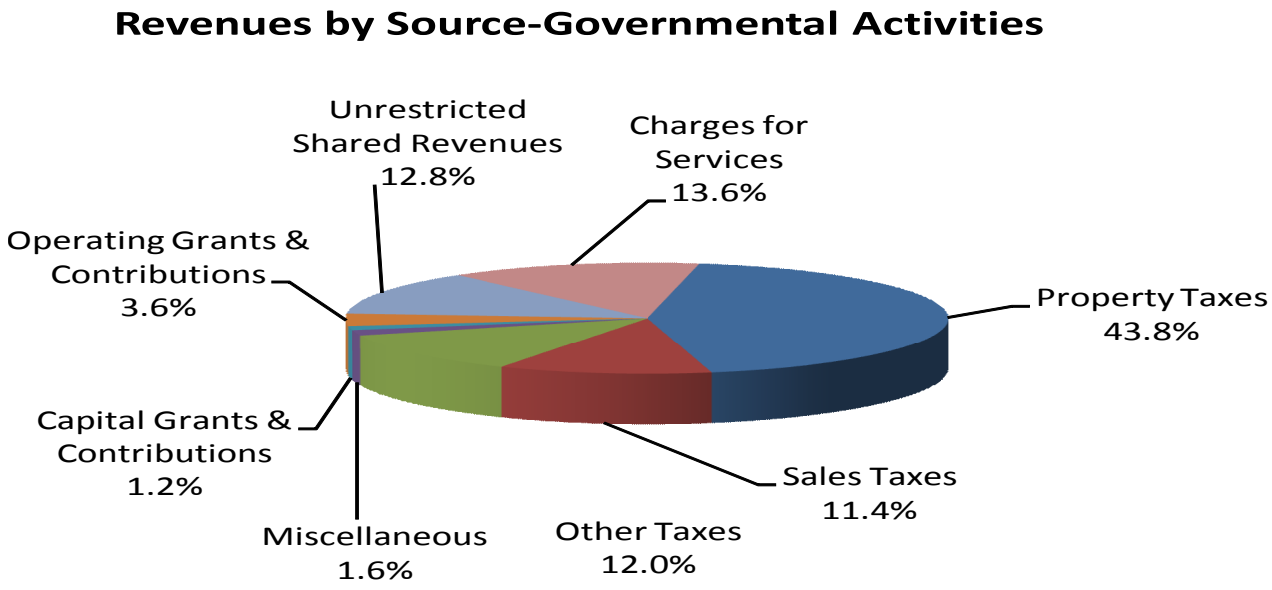
Governmental Activities

Governmental activities increased the County's net position by $2,750,316 while Business-type activities increased the County's net position by $1,451,969.

County of Clay, Florida
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	$18,429,673	$13,887,997	$18,756,070	$18,646,626	$37,185,743	$32,534,623
Operational Grants and Contributions	4,862,996	8,040,330	-	-	4,862,996	8,040,330
Capital Grants and Contributions	1,560,080	1,010,858	-	-	1,560,080	1,010,858
General Revenues:						
Property Taxes	59,420,147	58,089,208	-	-	59,420,147	58,089,208
Other Taxes	31,819,506	30,478,444	-	-	31,819,506	30,478,444
Other Revenues	19,597,934	19,628,070	1,100,940	899,970	20,698,874	20,528,040
Total Revenues	135,690,336	131,134,907	19,857,010	19,546,596	155,547,346	150,681,503
Expenses:						
General Government	24,854,270	24,331,635	-	-	24,854,270	24,331,635
Court Related	6,489,025	5,337,388	-	-	6,489,025	5,337,388
Public Safety	67,083,704	63,704,878	-	-	67,083,704	63,704,878
Physical Environment	1,066,358	1,130,922	-	-	1,066,358	1,130,922
Transportation	20,714,542	19,537,942	-	-	20,714,542	19,537,942
Economic Environment	1,477,628	1,881,613	-	-	1,477,628	1,881,613
Human Services	5,484,636	5,513,294	-	-	5,484,636	5,513,294
Culture/Recreation	4,291,384	4,462,466	-	-	4,291,384	4,462,466
Interest on Long-Term Debt	1,337,611	1,702,405	-	-	1,337,611	1,702,405
Solid Waste Disposal	-	-	9,272,626	9,297,162	9,272,626	9,297,162
Solid Waste Collection	-	-	9,273,277	9,082,258	9,273,277	9,082,258
Total Expenses	132,799,158	127,602,543	18,545,903	18,379,420	151,345,061	145,981,963
Change in Net Position before Transfers:	2,891,178	3,532,364	1,311,107	1,167,176	4,202,285	4,699,540
Transfers	(140,862)	(135,759)	140,862	135,759	-	-
Change in Net Position	2,750,316	3,396,605	1,451,969	1,302,935	4,202,285	4,699,540
Net Position-Beginning of Year	394,772,452	391,375,847	22,794,360	21,491,425	417,566,812	412,867,272
Net Position-End of Year	$397,522,768	$394,772,452	$24,246,329	$22,794,360	$421,769,097	$417,566,812

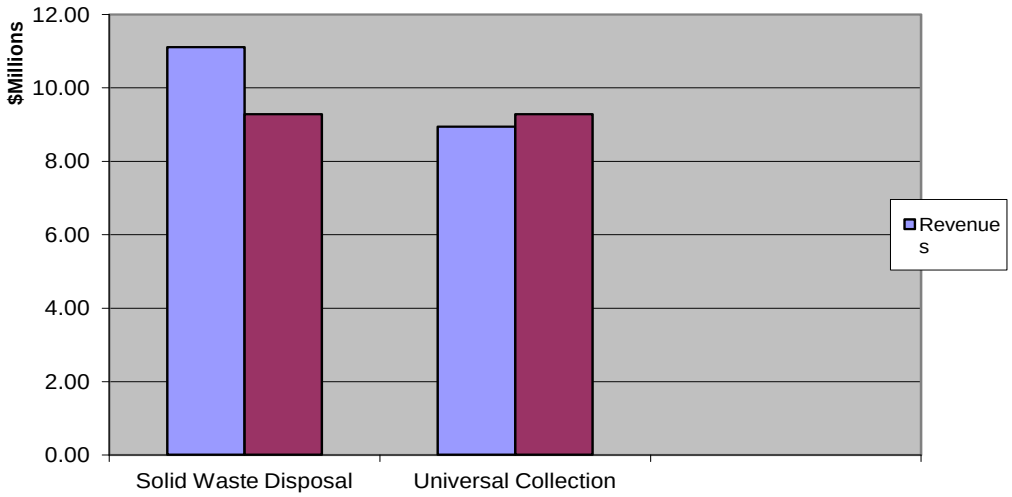

Expense and Program Revenues-Governmental Activities
$Millions
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
Expenditures
Revenues
General Governmental
Court Related
Public Safety
Physical Environment
Transportation
Economic Environment
Human Services
Culture/Recreation
Interest on Long-Term Debt

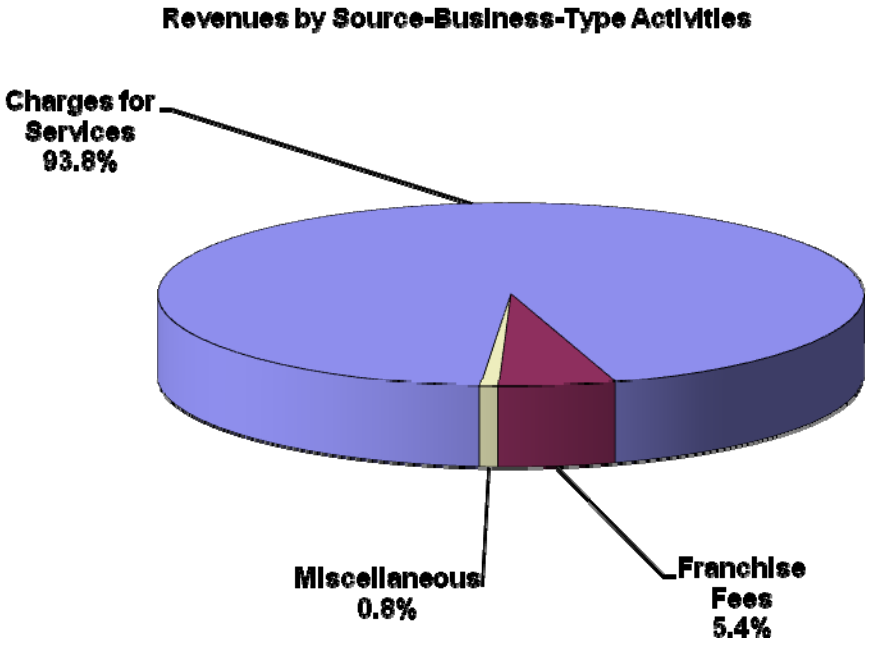


Business-type activities

Business-type activities increased the County's net position by $1,451,969, accounting for 35% 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 $1.8 million. The other enterprise fund, the Solid Waste Collection fund, reported a net loss of $339 thousand.

Expenses and Revenues-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 2014, the County's General fund reported an ending fund balance of $28,400,674. This is a decrease of $356,699 from the prior year. Unassigned fund balance is $19,337,907 and is generally available for spending at the County's discretion. The remainder of fund balance is either, restricted for specific purposes, $142,639; assigned with the intent to be used for a specific purpose, $8,506,672; or considered non-spendable for inventory and prepaid items, $413,456.

The General, Sheriff MSTU, and Capital Improvement Projects funds are reported as major funds. For the fiscal year, the General fund operated with a deficit of $321,841; the Sheriff MSTU operated with a deficit of $239,735; and the Capital Projects fund operated with a minor surplus of $11,228.

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 21.6% of the total General fund expenditures. The fund balance of the County's General fund decreased $356,699 during the fiscal year. Budgeted expenditures were anticipated to exceed budgeted revenues.

The Sheriff MSTU fund has a total fund balance of $1,103,402, and operated with a $239,735 deficit for the year. A budgeted reduction in fund balance was anticipated.

The Capital Improvement Projects fund has a total fund balance of $41,248,757. The net increase in fund balance during the fiscal year was $11,228. 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	2014	2013
Solid Waste Disposal	$18,162,451	$16,190,962
Universal Collection	1,592,963	1,932,393
Internal Service	4,166,015	2,391,599
Total	$23,921,429	$20,514,954

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 $1,258,537.
- Increase in Public Safety of $830,282.
- Decrease in Physical Environment of $2,725.
- Decrease in Culture and Recreation of $805.
- Decrease in Court Costs of $30,000.

Significant differences between the final amended General fund budget for the fiscal year 2014 and the actual expenditures are briefly summarized as follows:

- The Sheriff's Office did not spend their entire appropriation, resulting in a savings of $849,742.
- In Rescue Services, a positive variance of $1,918,220 was noted, primarily due to the delay of the delivery of two rescue units until the following fiscal year, as well as the postponement of two fire station renovations.
- Anticipated fuel price increases did not occur, resulting in a positive variance in the Fleet/Fuel Management division.
- The Clerk's budget positive variance of $1,013,348 was due primarily to the timing of capital outlay projects that were either completed in the subsequent year or the in the prior year but appropriated to the current year.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2014 amounted to $362,692,982 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total decrease in the County's investment in capital assets (net of depreciation and disposals) for the year was 1% (a net decrease of $3,294,068 for governmental activities and a $140,137 net decrease for business-type activities).

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

- Construction and improvements to County roadways, including the finalization of the road projects funded with the 2009 bond issue, of $6.5 million.
- Storm water projects of $404,000

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	203
Land	$100,272,079	$100,179,519	$986,525	$986,525	$101,258,604	$101,166,044
Buildings and Improvements	69,721,925	72,172,402	3,452,392	3,578,400	73,174,317	75,750,802
Machinery and Equipment	9,687,962	8,758,128	51,998	66,127	9,739,960	8,824,255
Infrastructure	176,444,069	177,335,411	-	-	176,444,069	177,335,411
Construction in Progress	2,076,032	3,050,675	-	-	2,076,032	3,050,675
Total	$358,202,067	$361,496,135	$4,490,915	$4,631,052	$362,692,982	$366,127,187

Additional information on the County's capital assets can be found in Note 5 on pages 22-23 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. There was only one outstanding bond issue of the County at the 2014 fiscal year end.

County of Clay, Florida
Outstanding Debt
Governmental Activities

	2014	2013
Sales Tax Revenue Bonds	$33,410,000	$40,790,000

Additional information on the County's debt can be found in Note 6 on pages 24-25 of this report.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County was 5.1% for 2014. This represents a decrease of 9% from the prior year (5.6%).
- The gross taxable property values increased to $8.5 billion in fiscal year 2014, an increase of 4.9%.
- The number of building inspections performed decreased from 47,939 in fiscal year 2013 to 41,917 in fiscal year 2014. 2,902 buildings were issued certificates of occupancy during 2014 compared to 5,554 for fiscal year 2013.
- The County's population remained fairly constant over the last several years at approximately 192,000.

Of the County's September 30, 2014 General fund balance of $28,400,674, $6,089,136 has been appropriated to the 2015 fiscal year to help fund 2015 activity. This amount has been included in the assigned fund balance on the 2014 financial statements along with $2,417,536 in the Fine & Forfeiture fund which is assigned for law enforcement purposes.

The 2015 ad valorem tax rate for the County was increased to 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 2015 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.

Clay County, Florida

Statement of Net Position
September 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Finance Authority
Assets				
Cash and cash equivalents	$ 45,328,204	$ 16,549,573	$ 61,877,777	$ 3,209,518
Investments	42,932,220	7,002,726	49,934,946	480,123
Due from other governments	4,890,432	12,969	4,903,401	-
Receivables, net	2,479,398	170,657	2,650,055	2,555,163
Prepaids	11,699	-	11,699	-
Inventory	420,775	-	420,775	-
Internal balances	(479,123)	479,123	-	
Restricted investments	21,654,425	366,433	22,020,858	127,772
Capital assets:				
Non-depreciable	102,348,111	986,525	103,334,636	-
Depreciable, net	255,853,956	3,504,390	259,358,346	-
Total assets	475,440,097	29,072,396	504,512,493	6,372,576
Liabilities				
Accounts payable and accrued liabilities	7,389,741	1,436,214	8,825,955	18,233
Unearned revenue	369,765	-	369,765	-
Deposits	-	231,241	231,241	-
Estimated liability for self-insurance losses	3,961,391	-	3,961,391	-
Noncurrent liabilities:				
Due within one year	9,312,048	391,734	9,703,782	-
Due in more than one year	56,884,384	2,766,878	59,651,262	-
Total liabilities	77,917,329	4,826,067	82,743,396	18,233
Net position				
Net investment in capital assets	343,463,643	4,490,915	347,954,558	-
Restricted for:				
Public safety	11,554,780	-	11,554,780	-
Transportation	2,818,326	-	2,818,326	-
Capital projects	20,549,737	-	20,549,737	-
Debt service	8,047,638	-	8,047,638	-
Court costs	5,257,245	-	5,257,245	-
Economic environment	2,201,596	-	2,201,596	-
Other purposes	3,027,845	-	3,027,845	118,968
Unrestricted	601,958	19,755,414	20,357,372	6,235,375
Total net position	$ 397,522,768	$ 24,246,329	$ 421,769,097	$ 6,354,343

See Notes to Financial Statements.

Clay County, Florida

Statement of Activities
Fiscal Year Ended September 30, 2014

		Program Revenue		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government:				
Governmental activities:				
General government	$ 24,854,270	$ 5,346,662	$ 22,234	$ -
Public safety	67,083,704	5,823,208	2,464,358	132,539
Physical environment	1,066,358	1,255,798	-	-
Transportation	20,714,542	-	596,743	1,245,818
Economic environment	1,477,628	-	674,060	-
Human services	5,484,636	55,953	2,436	-
Culture and recreation	4,291,384	99,723	532,507	181,723
Court costs	6,489,025	5,848,329	570,658	-
Interest on long-term debt	1,337,611	-	-	-
Total governmental activities	132,799,158	18,429,673	4,862,996	1,560,080
Business-type activities:				
Solid waste disposal	9,272,626	9,913,354	-	-
Solid waste collections	9,273,277	8,842,716	-	-
Total business-type activities	18,545,903	18,756,070	-	-
Total primary government	$ 151,345,061	$ 37,185,743	$ 4,862,996	$ 1,560,080
Component Unit:				
Housing Finance Authority	247,215	396,701	-	-
Total component units	$ 247,215	$ 396,701	$ -	$ -

General revenues and transfers:
- Property taxes
- Utility service tax
- Discretionary sales taxes
- Gas taxes
- Communications service tax
- Other taxes
- Unrestricted Shared revenues
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net position, beginning

Net position, ending

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Housing Finance Authority
$ (19,485,374)	$ -	$ (19,485,374)	$ -
(58,663,599)	-	(58,663,599)	-
189,440	-	189,440	-
(18,871,981)	-	(18,871,981)	-
(803,568)	-	(803,568)	-
(5,426,247)	-	(5,426,247)	-
(3,477,431)	-	(3,477,431)	-
(70,038)	-	(70,038)	-
(1,337,611)	-	(1,337,611)	-
(107,946,409)	-	(107,946,409)	-
-	640,728	640,728	
-	(430,561)	(430,561)	
-	210,167	210,167	-
(107,946,409)	210,167	(107,736,242)	-
-	-	-	149,486
$ -	$ -	$ -	$ 149,486
59,420,147	-	59,420,147	-
3,674,244		3,674,244	
15,510,145	-	15,510,145	-
6,143,070	-	6,143,070	-
6,487,096	-	6,487,096	-
4,951	-	4,951	-
17,475,462	-	17,475,462	
2,122,472	1,100,940	3,223,412	14,528
(140,862)	140,862	-	-
110,696,725	1,241,802	111,938,527	14,528
2,750,316	1,451,969	4,202,285	164,014
394,772,452	22,794,360	417,566,812	6,190,329
$ 397,522,768	$ 24,246,329	$ 421,769,097	$ 6,354,343

Clay County, Florida

Governmental Funds
Balance Sheet
September 30, 2014

	General Fund	Sheriff MSTU	Capital Improvement Projects	Other Governmental Funds	Total
Assets:					
Cash and cash equivalents	$ 20,230,669	$ 565,044	$ 10,289,882	$ 10,667,900	$ 41,753,495
Investments	10,871,855	259,431	30,367,343	19,410,802	60,909,431
Due from other funds	618,878	278,820	-	624,547	1,522,245
Due from other governments	2,029,502	-	1,674,530	1,186,400	4,890,432
Receivables, net	2,317,960	107	4,221	156,541	2,478,829
Prepaids	6,992	-	-	4,707	11,699
Inventory	406,464	-	-	14,311	420,775
Total assets	$ 36,482,320	$ 1,103,402	$ 42,335,976	$ 32,065,208	$ 111,986,906
Liabilities:					
Accounts payable and accrued liabilities	$ 5,164,836	$ -	$ 1,087,219	$ 1,137,686	$ 7,389,741
Due to other funds	755,890	-	-	1,245,392	2,001,282
Unearned revenue	348,680	-	-	21,085	369,765
Total liabilities	6,269,406	-	1,087,219	2,404,163	9,760,788
Deferred inflow of resources:					
Unavailable revenue	1,812,240	-	-	197,349	2,009,589
Fund balances:					
Nonspendable:					
Prepaids	6,992	-	-	4,707	11,699
Inventory	406,464	-	-	14,311	420,775
Restricted	142,639	1,103,402	41,248,757	29,476,296	71,971,094
Assigned	8,506,672	-	-	-	8,506,672
Unassigned	19,337,907	-	-	(31,618)	19,306,289
Total fund balances	28,400,674	1,103,402	41,248,757	29,463,696	100,216,529
Total liabilities, deferred inflow of resources and fund balances	$ 36,482,320	$ 1,103,402	$ 42,335,976	$ 32,065,208	$ 111,986,906

See Notes to Financial Statements.

Clay County, Florida

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2014

Fund balances – total governmental funds	$ 100,216,529
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental fund statements.	
Capital assets, net	358,202,067
Long-term liabilities are not due and payable in the current period and do not provide current financial resources and therefore are not reported in the governmental fund statements:	
Bonds payable	(33,410,000)
Original issue premium	(2,982,849)
Medicaid note payable	(242,751)
Compensated absences	(11,610,832)
Net OPEB Obligation	(17,950,000)
The estimated liability for self-insured workers' compensation is not accrued in the governmental funds.	(875,000)
Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements.	2,009,589
Net position of the Internal Service Fund is reported in governmental activities but not in the governmental funds.	4,166,015
Net position of governmental activities	$ 397,522,768

See Notes to Financial Statements.

Clay County, Florida

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year Ended September 30, 2014

	General Fund	Sheriff MSTU	Capital Improvement Projects	Other Governmental Funds	Total
Revenue:					
Taxes	$ 49,170,994	$ 15,903,491	$ 15,510,145	$ 10,654,937	$ 91,239,567
Licenses and permits	-	-	-	1,866,814	1,866,814
Intergovernmental	17,406,024	-	181,723	4,970,432	22,558,179
Charges for services	8,757,327	-	-	4,833,165	13,590,492
Fines and forfeitures	4,656	-	-	1,342,935	1,347,591
Miscellaneous	1,237,783	11,274	147,520	1,041,615	2,438,192
Total revenues	76,576,784	15,914,765	15,839,388	24,709,898	133,040,835
Expenditures:					
Current:					
General government	19,940,753	-	-	988,448	20,929,201
Public safety	56,023,990	1,805,031	-	7,928,119	65,757,140
Physical environment	452,140	-	-	645,616	1,097,756
Transportation	2,909,109	-	-	8,983,960	11,893,069
Economic environment	159,636	-	-	1,294,216	1,453,852
Human services	4,959,408	-	-	440,544	5,399,952
Culture and recreation	3,919,981	-	-	315,775	4,235,756
Court costs	1,280,980	-	-	4,989,491	6,270,471
Capital outlay	-	-	6,364,835	550,000	6,914,835
Debt service:					
Principal retirement	-	-	-	7,380,000	7,380,000
Interest and fiscal charges	-	-	-	2,083,324	2,083,324
Total expenditures	89,645,997	1,805,031	6,364,835	35,599,493	133,415,356
Excess of revenues over (under) expenditures	(13,069,213)	14,109,734	9,474,553	(10,889,595)	(374,521)
Other financing sources (uses):					
Transfers in	14,805,878	271,589	-	12,597,649	27,675,116
Transfers out	(2,058,506)	(14,621,058)	(9,463,325)	(1,673,089)	(27,815,978)
Total other financing sources (uses)	12,747,372	(14,349,469)	(9,463,325)	10,924,560	(140,862)
Net change in fund balances	(321,841)	(239,735)	11,228	34,965	(515,383)
Fund balances, beginning of year	28,757,373	1,343,137	41,237,529	29,437,793	100,775,832
Change in prepaids	3,640	-	-	(10,028)	(6,388)
Change in inventory	(38,498)	-	-	966	(37,532)
Fund balances, end of year	$ 28,400,674	$ 1,103,402	$ 41,248,757	$ 29,463,696	$ 100,216,529

See Notes to Financial Statements.

Clay County, Florida

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Fiscal Year Ended September 30, 2014

Net change in fund balances, total governmental funds	$ (515,383)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures but capital purchases increase assets in the statement of net position. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense:	
Acquisition of capital assets	12,003,847
Current year depreciation expense	(15,226,020)
Loss on capital asses disposals and abandonment	(71,895)
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 activities:	
Principal payments	7,380,000
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	(292,609)
OPEB expense	(1,923,000)
Reduction of environmental remediation liability	40,000
Self-insured workers' compensation	(750,100)
Revenue earned but not available for use in current operations is not reported as revenue recognized and is deferred in the fund financial statements.	(491,603)
Change in net position of the Internal Service Fund is reported in the statement of activities, but not in the governmental funds.	1,814,369
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	(43,920)
Change in net position of governmental activities	$ 2,750,316

See Notes to Financial Statements.

Clay County, Florida

Proprietary Funds
Statement of Net Position
September 30, 2014

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Solid Waste Disposal	**Universal Collection Fund**	**Total**	**Internal Service Fund**
Assets:				
Current assets:				
Cash and cash equivalents	$ 15,462,333	$ 1,087,240	$ 16,549,573	$ 3,574,709
Investments	5,936,202	1,066,524	7,002,726	3,677,214
Accounts receivables	170,397	260	170,657	569
Due from other governments	12,969	-	12,969	-
Due from other funds	307,875	171,298	479,173	-
Total current assets	21,889,776	2,325,322	24,215,098	7,252,492
Noncurrent assets:				
Restricted investments	366,433	-	366,433	-
Capital assets, net	4,490,915	-	4,490,915	-
Total noncurrent assets	4,857,348	-	4,857,348	-
Total assets	26,747,124	2,325,322	29,072,446	7,252,492
Current Liabilities:				
Accounts payable and accrued liabilities	703,855	732,359	1,436,214	158,697
Due to other funds	50	-	50	86
Deposits	231,241	-	231,241	-
Estimated liability for self-insured losses	-	-	-	2,927,694
Current portion of long-term liabilities	391,734	-	391,734	-
Total current liabilities	1,326,880	732,359	2,059,239	3,086,477
Noncurrent Liabilities:				
Long-term liabilities	2,766,878	-	2,766,878	-
Total liabilities	4,093,758	732,359	4,826,117	3,086,477
Net Position:				
Net investment in capital assets	4,490,915	-	4,490,915	-
Unrestricted	18,162,451	1,592,963	19,755,414	4,166,015
Total net position	$ 22,653,366	$ 1,592,963	$ 24,246,329	$ 4,166,015

See Notes to Financial Statements.

Clay County, Florida

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
Fiscal Year Ended September 30, 2014

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Solid Waste Disposal	Universal Collection Fund	Total	Internal Service Fund
Operating revenue:				
Charges for services	$ 9,115,106	$ 8,842,716	$ 17,957,822	$ 14,552,157
Sales	838,201	-	838,201	-
Total operating revenue	9,953,307	8,842,716	18,796,023	14,552,157
Operating expenses:				
Personal services	8,360,485	110,763	8,471,248	-
Contracted services	-	8,955,288	8,955,288	-
Other operating expenses	743,108	207,226	950,334	1,243,041
Depreciation	169,033	-	169,033	-
Claims expense	-	-	-	11,541,215
Total operating expenses	9,272,626	9,273,277	18,545,903	12,784,256
Operating income (loss)	680,681	(430,561)	250,120	1,767,901
Nonoperating revenue (expenses):				
Investment revenue	22,983	4,147	27,130	6,515
Franchise fees	1,073,810	-	1,073,810	-
Total nonoperating revenues	1,096,793	4,147	1,100,940	6,515
Income (loss) before transfers	1,777,474	(426,414)	1,351,060	1,774,416
Transfers in	53,878	86,984	140,862	-
Change in net position	1,831,352	(339,430)	1,491,922	1,774,416
Total net position, beginning of year	20,822,014	1,932,393	22,754,407	2,391,599
Total net position, end of year	$ 22,653,366	$ 1,592,963	$ 24,246,329	$ 4,166,015

See Notes to Financial Statements.

Clay County, Florida

Proprietary Funds
Statement of Cash Flows
Fiscal Year Ended September 30, 2014

	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	$ 9,819,610	$ 8,842,542	$ 18,662,152	$ -
Payments to suppliers	(1,665,273)	(9,179,258)	(10,844,531)	(1,084,258)
Payments to employees	(8,386,502)	(110,763)	(8,497,265)	-
Self-insurance charges	-	-	-	15,009,909
Self-insurance payments	-	-	-	(12,355,848)
Net cash provided (used) by operating activities	(232,165)	(447,479)	(679,644)	1,569,803
Cash Flows From Noncapital Financing Activities				
Transfer in	53,878	86,984	140,862	-
Franchise fees received	1,073,810	-	1,073,810	-
Net cash provided by noncapital financing activities	1,127,688	86,984	1,214,672	-
Cash Flows From Capital And Related Financing Activities:				
Purchase of capital assets	(28,896)	-	(28,896)	-
Cash Flows From Investing Activities				
Purchase of investments	(4,454,891)	(2,002,970)	(6,457,861)	(6,027)
Sale of investments	1,015,044	1,430,757	2,445,801	-
Interest received	22,983	4,147	27,130	6,515
Net cash provided (used) by investing activities	(3,416,864)	(568,066)	(3,984,930)	488
Net increase (decrease) in cash and cash equivalents	(2,550,237)	(928,561)	(3,478,798)	1,570,291
Cash and cash equivalents, beginning of year	18,012,570	2,015,801	20,028,371	2,004,418
Cash and cash equivalents, end of year	$ 15,462,333	$ 1,087,240	$ 16,549,573	$ 3,574,709
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 680,681	$ (430,561)	$ 250,120	$ 1,767,901
Depreciation	169,033	-	169,033	-
Changes in assets and liabilities:				
Accounts receivable	(150,869)	(260)	(151,129)	(569)
Due from other governments	537	86	623	647
Due from other funds	(203,769)	3,214	(200,555)	457,674
Accounts payable and accrued liabilities	(21,841)	15,570	(6,271)	158,697
Deposits	16,630	-	16,630	-
Due to other funds	(405,440)	(35,528)	(440,968)	86
Compensated absences	17,251	-	17,251	-
Landfill postclosure costs	(334,378)	-	(334,378)	-
Estimated liability for self-insured losses	-	-	-	(814,633)
Net cash provided (used) by operating activities	$ (232,165)	$ (447,479)	$ (679,644)	$ 1,569,803

See Notes to Financial Statements.

Clay County, Florida

Fiduciary Funds
Statement of Net Position
September 30, 2014

Assets		**Agency Funds**
Cash and cash equivalents	$	9,219,130
Receivables		53,332
Total assets		9,272,462
Liabilities:		
Assets due to others		9,272,462
Net position	$	-

See Notes to Financial Statements.

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:

A. Financial 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 unit, which is a legally separate entity for which the County is 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 ("Authority"), there were positive responses to the criteria used for establishing financial accountability. Accordingly, the Authority has been included in the County's financial statements as a discretely presented component unit.

The Authority 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 Authority are appointed by the Board of County Commissioners who may alter or change the structure, organization, programs, or activities of the Authority; terminate the Authority; remove members of the Authority; and review and approve the budget of the Authority.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Related Organizations:

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.

B. 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 unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees 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*.

C. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

The County reports the following major governmental funds:

The General Fund is the general operating fund for the Board of County Commissioners and the Constitutional Officers of the County. It is used to account for and report all financial resources not accounted for and reported in another fund.

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

The Capital Improvement Projects Fund, a capital projects fund, accounts for and reports resources to be used for the construction of various capital projects that are not accounted for in the proprietary funds.

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund types:

The *Internal Service Fund* is used to account for and report activities of the self-insured health insurance program.

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

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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. 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. Major revenues that are determined to be susceptible to accrual include property taxes which are recognized when levied for, taxpayer assessed tax revenues including sales and utility services taxes which are recognized when collected, intergovernmental revenue which is recognized when all eligibility requirements have been met, and charges for service which are recorded as revenue when received, because generally cash is received upon the rendering of service. In governmental funds, expenditures are generally recognized when the related liability is incurred. However, debt service expenditures, expenditures for compensated absences, claims and judgments, and other postemployment benefits are recorded only when payment is due.

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

Note 1. Summary of Significant Accounting Policies (Continued)

E. Cash Equivalents

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

F. Investments

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

Restricted investments represent unspent bond proceeds accumulated in the capital improvements projects fund and funds restricted for post closure costs in the solid waste fund. These amounts are restricted by the terms of the bond document and are only available to fund infrastructure projects.

G. 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.

H. Accounts Receivable

Accounts receivable are reported net of an allowance for uncollectible accounts of approximately $5,940,000. The allowance is estimated based on historical collection rates and current economic conditions. Accounts receivable are predominantly comprised of amounts due from the provision of ambulance services.

I. Capital Assets

Capital assets are reported in the government-wide financial statements and proprietary fund financial statements and are reported 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
Buildings 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
Equipment	3 – 10

In the governmental fund financial statements, the costs associated with the acquisition or construction of capital assets are reported as capital outlay expenditures.

Amortization: At the government-wide level and in the proprietary funds, discounts and premiums are amortized over the term of the related financing using a method that approximates the effective interest method. For governmental funds, these costs are reported in the period the transaction occurs.

Capitalization of interest costs*:* When applicable, for its enterprise operations, the County follows the provisions of GASB Statement No. 62 to determine if interest costs related to construction of capital assets should be capitalized.

J. Unearned and Unavailable 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.

Unavailable revenue is reported in the governmental funds when receivables are not collected within the County's period of availability and accordingly are not recognized under the modified accrual basis of accounting. Unavailable revenue is reported in the governmental funds as a deferred inflow of resources.

K. 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.

L. Operating Revenues and Expenses

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations.

M. Net Position and Fund Balance

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

The accompanying Statement of Net Position includes approximately $370,000 of net position restricted by enabling legislation.

Net investment in capital assets is that portion of net position that relates to the County's capital assets, reduced by the debt outstanding used to purchase or construct the capital assets, the related debt is reduced by any unspent proceeds that are outstanding at fiscal year end.

Unrestricted represents the net position of the County that is not restricted for any project or purpose.

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 Board of County Commissioners which is an ordinance. Committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the Board of County Commissioners or the constitutional officer or (b) the County Manager.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. Unassigned fund balance also includes any deficit fund balance of other governmental funds.

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

Note 1. Summary of Significant Accounting Policies (Continued)

N. Property taxes

In governmental funds, property tax revenues are recognized when levied for, if collected within the fiscal year or within 60 days after year end. 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

O. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows, liabilities and deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures / expenses during the reporting period. Significant estimates used in the financial statements include the liability for self insured losses, other post employment benefits and the allowance to reduce receivables to their net receivable value. Actual results could differ from management's estimates.

Note 2. Deposits and Investments

Deposits with Financial Institutions

The County's 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.

The County's investments at September 30, 2014 are summarized in the following table:

Fund	Amount	S&P Rating
Florida PRIME	$ 71,277,154	AAAm
Florida SAFE	574,452	AAAm
FLGIT	104,198	AAAf
Total	$ 71,955,804	

Note 2. Deposits and Investments (Continued)

	Governmental Activities	Business-Type Activities	Total
Investments	$ 42,932,220	$ 7,002,726	$ 49,934,946
Restricted investments	21,654,425	366,433	22,020,858
Total investments	$ 64,586,645	$ 7,369,159	$ 71,955,804

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 Florida PRIME has adopted operating procedures consistent with the requirements for a 2a7-like fund. The County's investment in the Florida PRIME is stated at amortized cost.

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 amortized cost which approximates 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 U.S. government treasury securities, U.S. government agency securities, commercial paper and repurchase agreements collateralized with securities valued in excess of the repurchase agreement amount. 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. 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, 2014, the weighted average life (WAL) of FLGIT was 1.72 years.

Note 2. Deposits and Investments (Continued)

Investment Risks

The County is exposed to the following risks associated with its investment portfolio:

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, 2014, interfund balances consisted of:

	Due To					
	General	Sheriff MSTU	Nonmajor Governmental	Solid Waste	Universal Collection	Total Due To
Due From						
General fund	$ -	$ 248,278	$ 28,439	$ 307,875	$ 171,298	$ 755,890
Nonmajor governmental	618,828	30,542	596,022	-	-	1,245,392
Solid waste disposal	50	-	-	-	-	50
Internal Service	-	-	86	-	-	86
Totals	$ 618,878	$ 278,820	$ 624,547	$ 307,875	$ 171,298	$ 2,001,418

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:

	Transfers Out				
	General	Sheriff MSTU	Capital Improvement Projects	Nonmajor Governmental	Total Transfer In
Transfers In					
General Fund	$ -	$ 14,621,058	$ -	$ 184,820	$ 14,805,878
Sheriff MSTU	271,589	-	-	-	271,589
Nonmajor Governmental	1,646,055	-	9,463,325	1,488,269	12,597,649
Solid waste	53,878	-	-	-	53,878
Universal collection	86,984	-	-	-	86,984
Totals	$ 2,058,506	$ 14,621,058	$ 9,463,325	$ 1,673,089	$ 27,815,978

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer. The most significant transfers include a transfer from the Sheriff MSTU to the General fund for operating costs of the Sheriff, and a transfer from the Capital Improvement Project fund to the nonmajor Debt Service funds for payments of long-term debt.

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	$ -	$ -	$ 41,248,757	$ 955,405	$ 42,204,162
Debt service	-	-	-	8,047,638	8,047,638
General government	-	-	-	841,169	841,169
Public safety	-	1,103,402	-	3,689,680	4,793,082
Transportation	-	-	-	3,065,177	3,065,177
Economic environment	-	-	-	2,201,596	2,201,596
Human Services	-	-	-	3,473,128	3,473,128
Culture and recreation	-	-	-	11,780	11,780
Court costs	-	-	-	5,257,583	5,257,583
Municipal services	-	-	-	1,933,140	1,933,140
Election Grants	142,639	-	-	-	142,639
Total restricted fund balance	$ 142,639	$ 1,103,402	$ 41,248,757	$ 29,476,296	$ 71,971,094

In the General Fund, fund balance of $6,089,136 is *assigned* for subsequent year's expenditures of the Board of County Commissioners.

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	$ 100,179,519	$ 92,560	$ -	$ 100,272,079
Construction in progress	3,050,675	78,679	1,053,322	2,076,032
Total capital assets not being depreciated	103,230,194	171,239	1,053,322	102,348,111
Capital assets being depreciated:				
Buildings and improvements	102,966,233	132,615	-	103,098,848
Machinery and equipment	60,742,010	4,714,323	4,698,932	60,757,401
Infrastructure	258,394,860	8,038,992	-	266,433,852
Total capital assets being depreciated	422,103,103	12,885,930	4,698,932	430,290,101
Less accumulated depreciation for:				
Buildings and improvements	30,793,831	2,583,092	-	33,376,923
Machinery and equipment	51,983,882	3,712,594	4,627,037	51,069,439
Infrastructure	81,059,449	8,930,334	-	89,989,783
Total accumulated depreciation	163,837,162	15,226,020	4,627,037	174,436,145
Total capital assets being depreciated, net	258,265,941	(2,340,090)	71,895	255,853,956
Total governmental activities, net	$ 361,496,135	$ (2,168,851)	$ 1,125,217	$ 358,202,067

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	1,461,120	28,896	49,991	1,440,025
Total capital assets being depreciated	7,042,114	28,896	49,991	7,021,019
Less accumulated depreciation for:				
Buildings and improvements	2,002,594	126,008	-	2,128,602
Machinery and equipment	1,394,993	43,025	49,991	1,388,027
Total accumulated depreciation	3,397,587	169,033	49,991	3,516,629
Total capital assets being depreciated, net	3,644,527	(140,137)	-	3,504,390
Total business-type activities, net	$ 4,631,052	$ (140,137)	$ -	$ 4,490,915

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

Governmental Activities:	
General government	$ 2,894,574
Public safety	2,903,534
Transportation	9,211,508
Human services	54,663
Culture and recreation	37,392
Court costs	124,349
Total depreciation expense – governmental activities	$ 15,226,020
Business-Type Activities:	
Solid Waste	$ 169,033

Note 6. Long-Term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2009 Infrastructure Sales Surtax Revenue Bonds	$ 40,790,000	$ -	$ 7,380,000	$ 33,410,000	$ 7,745,000
Original Issue Premium	3,728,562	-	745,713	2,982,849	-
Total Bonds Payable	44,518,562	-	8,125,713	36,392,849	7,745,000
Medicaid Note Payable	323,668	-	80,917	242,751	80,917
Environmental Remediation	40,000	-	40,000	-	-
Compensated Absences	11,318,223	7,601,144	7,308,535	11,610,832	1,486,131
Net OPEB Obligation	16,027,000	1,923,000	-	17,950,000	-
Governmental Activity Long-Term Liabilities	$ 72,227,453	$ 9,524,144	$ 15,555,165	$ 66,196,432	$ 9,312,048
Business-Type Activities:					
Compensated Absences	$ 322,561	$ 143,254	$ 126,003	$ 339,812	$ 25,301
Landfill Postclosure Care Costs	3,153,178	-	334,378	2,818,800	366,433
Business-Type Activity Long-Term Liabilities	$ 3,475,739	$ 143,254	$ 460,381	$ 3,158,612	$ 391,734

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 $37,843,700. During 2014, $15,510,145 of sales surtax was recognized and $9,463,324 was paid for debt service.	$ 33,410,000
Total	$ 33,410,000

Note 6. Long-Term Liabilities (Continued)

The annual requirements to amortize bonds payable as of September 30, 2014, are as follows:

Year Ending September 30,	Principal	Interest	Total
2015	$ 7,745,000	$ 1,714,325	$ 9,459,325
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	$ 33,410,000	$ 4,433,700	$ 37,843,700

For governmental activities, the General Fund generally liquidates compensated absences and other post employment benefits.

Landfill 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, 2013, each of the County landfill sites have reached full capacity. The $2,818,800 reported as landfill postclosure care liability at September 30, 2014, 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 $366,433 to provide for this liability in accordance with the regulations of the Florida Department of Environmental Protection.

Note 7. Pension Plan

Plan Description – The County contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-6491.

Funding Policy – For the period October 1, 2012 through September 30, 2014 the employee contribution rate was 3.00%. The County is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%. The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately $7.7 million, $6 million and $5.1 million, respectively, equal to the required contributions for each year.

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 and 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.

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 employer, and the changes in the net OPEB Plan obligation as reported in the governmental activities:

Annual required contribution	$ 2,968,000
Interest on net OPEB obligation	641,000
Adjustments to ARC	(657,000)
Annual OPEB cost (expense)	2,952,000
Contributions made	(1,029,000)
Increase in net OPEB obligation	1,923,000
Net OPEB obligation – beginning of year	16,027,000
Net OPEB obligation – end of year	$ 17,950,000

Note 8. Other Postemployment Benefit Plan (Continued)

Trend Information:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
2014	$ 2,952,000	$ 1,029,000	34.86%	$ 17,950,000
2013	$ 2,457,000	$ 848,000	34.51%	$ 16,027,000
2012	$ 2,322,000	$ 779,000	33.55%	$ 14,418,000

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.

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 percentage 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%

Note 8. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress – The OPEB contributions made for the 2014 fiscal year were 34.9% 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 $30.6 million, the unfunded actuarial accrued liability (UAAL) was also $30.6 million and the funded ratio was 0%. Covered payroll for the period was $60.9 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 general liability. There were no significant reductions in this insurance coverage during 2014. 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 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 $875,000. 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.

Changes in the program's estimated liability are as follows:

	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

Self-Insurance – Health Insurance

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.

Note 9. Risk Management (Continued)

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.

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

	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

Note 10. Operating Leases

The County has executed several leases that are classified as operating leases. The total cost for 2014 was approximately $201,000.

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

Year Ending September 30,	Amount
2015	$ 201,704
2016	202,361
2017	203,041
2018	166,571
2019	148,713
2020-2021	225,527
Total	$ 1,147,917

Note 11. 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 have a material adverse effect on the County's financial condition.

A claim has been asserted against the County by two property owners in the approximate amount of $8 million. The claim is pertaining to two ordinances adopted by the Board of County Commissioners. It is the opinion of management and the County's attorney that these matters will be resolved in favor of the County.

Note 12. New Accounting Pronouncements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for financial statements for periods beginning after June 15, 2014.

GASB Statement No. 69, *Government Combinations and disposals of Government Operations,* the objective of this Statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term *government combinations* is used in this Statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. This statement will be effective for financial statements for periods beginning after December 15, 2013.

GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees,* the objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. This statement will be effective for financial statements for periods beginning after June 15, 2013.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date,* the objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions,* concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities. This statement will be effective for financial statements for periods beginning after June 15, 2014.

Upon the adoption of GASB No. 68, the County will recognize a liability for their portion of the actuarially accrued liability of the Florida Retirement System. The amount of this liability is dependent on the funded status of the Florida Retirement System which has not yet been determined. However, the liability could be material to the County's governmental activities.

The County's management has not yet determined the effect that the remaining statements will have on the County's financial statements.

Note 13. Subsequent Event

In May, 2014, the Board of County Commissioners approved a recommendation by staff to discontinue the in-house processing and sale of recyclables by September 30, 2014. The change was made to avoid having to make a major capital expenditure, to replace twenty plus year old processing equipment, and to instead outsource the processing and sale of recyclables to one or more private entities to take advantage of more cost effective processing programs available today through private industry.

The change from in-house processing and sale of materials to private entities will result in less annual revenues, in total, to the Department than in the past, however, this will be offset to a greater degree by reduced in-house expenses. The Department completed the transition during the month of October, 2014. Under the program recyclables continue to be received by the Department at the Rosemary Hill facility, however, they are simply loaded onto transfer vehicles, and shipped to outside vendors who purchase the unprocessed materials. Improved financial performance of the recycling program is expected as a result of the program change.

REQUIRED SUPPLEMENTARY INFORMATION

Clay County, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 50,469,377	$ 50,469,377	$ 49,170,994	$ (1,298,383)
Intergovernmental	16,457,262	17,241,624	17,406,024	164,400
Charges for services	7,279,533	7,340,829	8,757,327	1,416,498
Fines and forfeitures	5,500	5,500	4,656	(844)
Miscellaneous	907,635	988,453	1,237,783	249,330
Total revenues	75,119,307	76,045,783	76,576,784	531,001
Expenditures				
Current:				
County Commissioners	612,643	612,643	558,068	54,575
County Manager	412,592	408,392	381,839	26,553
Human resources	235,142	235,142	157,947	77,195
Risk manager	2,714,561	2,714,561	2,422,776	291,785
MIS department	1,968,842	1,968,842	1,814,062	154,780
Health department	914,462	914,462	913,473	989
County auditor	124,660	124,660	124,500	160
County comptroller	1,388,363	1,388,363	1,229,882	158,481
Budget director	193,700	193,700	187,842	5,858
Purchasing	341,514	341,514	328,158	13,356
County attorney	639,256	639,256	630,885	8,371
Sheriff	39,833,853	39,914,408	39,064,666	849,742
Property Appraiser	2,528,247	2,636,646	2,497,152	139,494
Tax Collector	4,421,611	4,477,589	4,203,303	274,286
Board of Tax Adjustment	62,000	66,200	66,110	90
Clerk of Court	2,437,846	2,437,846	1,424,498	1,013,348
Filing fee costs	5,000	5,000	1,203	3,797
Circuit court	4,000	4,000	-	4,000
Juvenile detention	450,000	450,000	432,300	17,700
County court	3,700	3,700	530	3,170
State Attorney	3,300	3,300	879	2,421
Supervisor of Elections	3,073,513	1,632,146	1,323,717	308,429
Building maintenance	2,865,551	2,884,014	2,586,675	297,339
Historical commission	7,500	7,500	3,096	4,404
Veterans service officer	96,567	96,557	59,188	37,369
Council on Aging	741,370	741,370	740,385	985
Economic development	78,950	78,950	66,563	12,387
Keystone CRA	27,500	27,500	25,889	1,611
FHFC-advisory services	8,000	8,000	7,998	2
Medical examiner	385,000	385,000	317,157	67,843
Rescue services	12,607,554	13,100,778	11,182,558	1,918,220
FY10 Asst to FF Grant	29,967	29,967	29,967	-
FY11 AFG Grant	28,435	28,435	28,432	3
Emergency management	157,298	157,298	122,243	35,055
2012 SHSGP	-	10,203	9,580	623
EMPG 2014 Grant	-	69,991	39,966	30,025
2013 School Retrofit	87,390	140,000	6,264	133,736
EMPA 2014 Grant	109,587	109,587	106,690	2,897
EMPG 2013 Grant	66,841	66,504	65,672	832
FY13 SHSGP Issue 5	-	10,900	-	10,900
FY11 SHSGP Issue 7	18,500	24,433	23,182	1,251
Public Safety Admin/Comm	1,623,363	1,685,030	1,538,439	146,591
EMS Co Grant C0010	13,668	29,204	-	29,204
Hospital services	70,000	70,000	36,882	33,118

(Continued)

Clay County, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund (Continued)
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Public assistance services	2,091,209	2,091,209	2,068,397	22,812
Aid to private organizations	300,700	300,700	289,612	11,088
Animal care & control	1,169,377	1,169,377	974,204	195,173
Parks and recreation admin	2,079,605	2,079,605	1,700,811	378,794
Wal-Mart park	7,805	7,100	-	7,100
Oakleaf park	100	-	-	-
Libraries administration	516,142	516,142	379,789	136,353
Orange Park library	629,285	623,635	525,620	98,015
GCS library	212,908	218,558	210,202	8,356
Keystone Heights library	196,992	196,992	167,591	29,401
Middleburg library	275,315	275,315	240,624	34,691
Library headquarters	750,468	750,468	692,257	58,211
Agriculture agent	435,017	435,017	420,920	14,097
Soil conservation	3,725	1,000	413	587
Transit Authority	48,000	48,000	47,155	845
Fleet/fuel management	3,303,256	3,303,256	2,861,954	441,302
Knowles/H.P. clean-Up	40,000	40,000	20,409	19,591
Black Creek Hills MSBU	10,724	10,724	10,395	329
Fine and forfeiture	4,612,198	4,612,198	4,275,028	337,170
Total expenditures	98,074,672	97,612,887	89,645,997	7,966,890
Excess of revenues over (under) expenditures	(22,955,365)	(21,567,104)	(13,069,213)	8,497,891
Other financing sources (uses):				
Transfers In	17,684,515	17,768,403	14,805,878	(2,962,525)
Transfers Out	(1,297,516)	(3,054,837)	(2,058,506)	996,331
Total other financing sources (uses)	16,386,999	14,713,566	12,747,372	(1,966,194)
Net change in fund balances	(6,568,366)	(6,853,538)	(321,841)	6,531,697
Fund balances – beginning of year	21,313,949	21,313,949	28,757,373	7,443,424
Change in Prepaid	-	-	3,640	3,640
Change in Inventory	-	-	(38,498)	(38,498)
Fund balances – end of year	$ 14,745,583	$ 14,460,411	$ 28,400,674	$ 13,940,263

Notes to Budgetary Comparison Schedule

The preparation, adoption and amendment 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.

Clay County, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sheriff MSTU
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 16,492,803	$ 16,492,803	$ 15,903,491	$ (589,312)
Miscellaneous	8,650	8,650	11,274	2,624
Total revenues	16,501,453	16,501,453	15,914,765	(586,688)
Expenditures:				
Current:				
Sheriff MSTU	1,932,645	1,932,645	1,805,031	127,614
Excess of revenues over (under) expenditures	14,568,808	14,568,808	14,109,734	(459,074)
Other Financing Sources (Uses):				
Transfers in	-	-	271,589	271,589
Transfers out	(14,604,657)	(14,621,058)	(14,621,058)	-
Total other financing sources (uses)	(14,604,657)	(14,621,058)	(14,349,469)	271,589
Net change in fund balances	(35,849)	(52,250)	(239,735)	(187,485)
Fund balances – beginning of year	274,806	274,806	1,343,137	1,068,331
Fund balances – end of year	$ 238,957	$ 222,556	$ 1,103,402	$ 880,846

Notes to Budgetary Comparison Schedule

The preparation, adoption, and amendment of the budgets are governed 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.

Clay County, Florida

Required Supplementary Information
Other Postemployment Benefits
For the Year Ended September 30, 2014

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 Contributions	Percentage Contributed
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%

SUPPLEMENTARY INFORMATION

Clay County, Florida

Combining Balance Sheet Schedule
Board and Officer Funds
September 30, 2014

	Board of County Commissioners	Sheriff	Clerk of the Court	Property Appraiser
Assets:				
Cash and equivalents	$ 12,369,915	$ 3,573,283	$ 220,247	$ 218,815
Investments	10,845,029	-	-	-
Due from other funds	2,540,025	5,994	70	-
Due from other governments	1,900,306	-	9,705	-
Receivables	2,250,942	66,700	68	-
Prepaids	-	-	6,992	-
Inventory	117,976	288,488	-	-
Total assets	$ 30,024,193	$ 3,934,465	$ 237,082	$ 218,815
Liabilities:				
Accounts payable and accrued liabilities	$ 1,979,873	$ 2,686,789	$ 79,170	$ 51,946
Due to other funds	338,381	959,188	150,920	166,869
Unearned revenues	348,680	-	-	-
Total liabilities	2,666,934	3,645,977	230,090	218,815
Deferred inflow of resources:				
Unavailable revenue	1,812,240	-	-	-
Fund Balances:				
Nonspendable:				
Prepaids	-	-	6,992	-
Inventory	117,976	288,488	-	-
Restricted	-	-	-	-
Assigned	6,089,136	-	-	-
Unassigned	19,337,907	-	-	-
Total fund balances	25,545,019	288,488	6,992	-
Total liabilities, deferred inflow of resources and fund balances	$ 30,024,193	$ 3,934,465	$ 237,082	$ 218,815

(Continued)

Clay County, Florida

Combining Balance Sheet Schedule
Board and Officer Funds (Continued)
September 30, 2014

	Tax Collector	Supervisor of Elections	Fine and Forfeiture	Eliminations	Combined General Fund
Assets:					
Cash and equivalents	$ 1,446,506	$ 438,435	$ 1,963,468	$ -	$ 20,230,669
Investments	-	-	26,826	-	10,871,855
Due from other funds	-	-	610,762	(2,537,973)	618,878
Due from other governments	-	-	119,491	-	2,029,502
Receivables	-	-	250	-	2,317,960
Prepaids	-	-	-	-	6,992
Inventory	-	-	-	-	406,464
Total assets	$ 1,446,506	$ 438,435	$ 2,720,797	$ (2,537,973)	36,482,320
Liabilities:					
Accounts payable and accrued liabilities	$ 14,165	$ 49,632	$ 303,261	$ -	$ 5,164,836
Due to other funds	1,432,341	246,164	-	(2,537,973)	755,890
Unearned revenues	-	-	-	-	348,680
Total liabilities	1,446,506	295,796	303,261	(2,537,973)	6,269,406
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	1,812,240
Fund Balances:					
Nonspendable:					
Prepaids	-	-	-	-	6,992
Inventory	-	-	-	-	406,464
Restricted	-	142,639	-	-	142,639
Assigned	-	-	2,417,536	-	8,506,672
Unassigned	-	-	-	-	19,337,907
Total fund balances	-	142,639	2,417,536	-	28,400,674
Total liabilities, deferred inflow of resources and fund balances	$ 1,446,506	$ 438,435	$ 2,720,797	$ (2,537,973)	$ 36,482,320

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds
For the Year Ended September 30, 2014

	Board of County Commissioners			
	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 22,194,910	$ 22,194,910	$ 21,870,544	$ (324,366)
Intergovernmental	15,997,262	16,654,024	16,650,163	(3,861)
Charges for services	4,046,265	4,046,265	4,466,976	420,711
Fines and forfeitures	1,500	1,500	950	(550)
Miscellaneous	1,798,900	1,798,900	1,777,222	(21,678)
Total revenues	44,038,837	44,695,599	44,765,855	70,256
Expenditures:				
General government	17,332,207	15,905,960	14,058,810	1,847,150
Public safety	15,577,602	16,297,329	13,902,455	2,394,874
Physical environment	489,466	486,741	452,140	34,601
Transportation	3,351,257	3,351,257	2,909,109	442,148
Economic environment	211,017	211,017	159,636	51,381
Human services	5,225,918	5,225,918	4,959,315	266,603
Culture and recreation	4,676,121	4,675,316	3,919,981	755,335
Court costs	16,000	16,000	2,612	13,388
Total expenditures	46,879,588	46,169,538	40,364,058	5,805,480
Excess of revenues over (under) expenditures	(2,840,751)	(1,473,939)	4,401,797	5,875,736
Other Financing Sources (Uses):				
Transfers in	1,740,506	1,740,506	1,941,099	200,593
Transfers out	(4,005,843)	(5,449,129)	(5,410,109)	39,020
Total other financing sources (uses)	(2,265,337)	(3,708,623)	(3,469,010)	239,613
Net change in fund balances	(5,106,088)	(5,182,562)	932,787	6,115,349
Fund balances – beginning of year	19,637,346	19,637,346	24,625,421	4,988,075
Change in prepaids	-	-	-	-
Change in inventory	-	-	(13,189)	(13,189)
Fund balances – end of year	$ 14,531,258	$ 14,454,784	$ 25,545,019	$ 11,090,235

(Continued)

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds (Continued)
For the Year Ended September 30, 2014

	Sheriff			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	39,505,921	39,616,476	38,807,451	809,025
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	1,288,783	1,258,783	1,218,066	40,717
Total expenditures	40,794,704	40,875,259	40,025,517	849,742
Excess of revenues over (under) expenditures	(40,794,704)	(40,875,259)	(40,025,517)	849,742
Other Financing Sources (Uses):				
Transfers in	40,794,704	40,875,259	40,864,361	(10,898)
Transfers out	-	-	(838,844)	(838,844)
Total other financing sources (uses)	40,794,704	40,875,259	40,025,517	(849,742)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	313,797	313,797
Change in prepaids	-	-	-	-
Change in inventory	-	-	(25,309)	(25,309)
Fund balances – end of year	$ -	$ -	$ 288,488	$ 288,488

(Continued)

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds (Continued)
For the Year Ended September 30, 2014

	Clerk of the Court			
	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	1,349,845	1,349,845	1,016,680	(333,165)
Fines and forfeitures	-	-	-	-
Miscellaneous			943	943
Total revenues	1,349,845	1,349,845	1,017,623	(332,222)
Expenditures:				
General government	1,691,244	1,691,244	1,210,704	480,540
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	62,601	62,601	60,302	2,299
Total expenditures	1,753,845	1,753,845	1,271,006	482,839
Excess of revenues over (under) expenditures	(404,000)	(404,000)	(253,383)	150,617
Other Financing Sources (Uses):				
Transfers in	404,000	404,000	404,000	-
Transfers out	-	-	(150,617)	(150,617)
Total other financing sources (uses)	404,000	404,000	253,383	(150,617)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	3,352	3,352
Change in prepaids	-	-	3,640	3,640
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ 6,992	$ 6,992

(Continued)

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds (Continued)
For the Year Ended September 30, 2014

	Property Appraiser			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	39,459	44,777	46,246	1,469
Fines and forfeitures	-	-	-	-
Miscellaneous	-	52,818	52,818	-
Total revenues	39,459	97,595	99,064	1,469
Expenditures:				
General government	2,235,105	2,343,504	2,209,283	134,221
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Total expenditures	2,235,105	2,343,504	2,209,283	134,221
Excess of revenues over (under) expenditures	(2,195,646)	(2,245,909)	(2,110,219)	135,690
Other Financing Sources (Uses):				
Transfers in	2,275,909	2,275,909	2,275,909	-
Transfers out	(80,263)	(30,000)	(165,690)	(135,690)
Total other financing sources (uses)	2,195,646	2,245,909	2,110,219	(135,690)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ -	$ -

(Continued)

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds (Continued)
For the Year Ended September 30, 2014

	Tax Collector			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	3,781,414	3,837,392	5,099,742	1,262,350
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	46,106	46,106
Total revenues	3,781,414	3,837,392	5,145,848	1,308,456
Expenditures:				
General government	3,781,414	3,837,392	3,713,507	123,885
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Total expenditures	3,781,414	3,837,392	3,713,507	123,885
Excess of revenues over (under) expenditures	-	-	1,432,341	1,432,341
Other Financing Sources (Uses):				
Transfers in			-	-
Transfers out			(1,432,341)	(1,432,341)
Total other financing sources (uses)	-	-	(1,432,341)	(1,432,341)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ -	$ -

(Continued)

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds (Continued)
For the Year Ended September 30, 2014

	Supervisor of Elections			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	22,234	22,234
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	15,892	15,892
Total revenues	-	-	38,126	38,126
Expenditures:				
General government	1,448,033	1,451,366	1,217,813	233,553
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Total expenditures	1,448,033	1,451,366	1,217,813	233,553
Excess of revenues over (under) expenditures	(1,448,033)	(1,451,366)	(1,179,687)	271,679
Other Financing Sources (Uses):				
Transfers in	1,448,033	1,451,366	1,451,366	-
Transfers out	-	-	(246,111)	(246,111)
Total other financing sources (uses)	1,448,033	1,451,366	1,205,255	(246,111)
Net change in fund balances	-	-	25,568	25,568
Fund balances – beginning of year	-	-	117,071	117,071
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ 142,639	$ 142,639

(Continued)

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds (Continued)
For the Year Ended September 30, 2014

	Fine and Forfeiture			
	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 28,274,467	$ 28,274,467	$ 27,300,450	$ (974,017)
Intergovernmental	460,000	587,600	733,627	146,027
Charges for services	506,500	506,500	571,633	65,133
Fines and forfeitures	4,000	4,000	3,706	(294)
Miscellaneous	95,000	123,000	331,067	208,067
Total revenues	29,339,967	29,495,567	28,940,483	(555,084)
Expenditures:				
General government	-	-	-	-
Public safety	4,611,898	4,611,898	4,274,935	336,963
Physical environment	-	-	-	-
Transportation	-	-		-
Economic environment	-	-	-	-
Human services	300	300	93	207
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Total expenditures	4,612,198	4,612,198	4,275,028	337,170
Excess of revenues over (under) expenditures	24,727,769	24,883,369	24,665,455	(217,914)
Other Financing Sources (Uses):				
Transfers in	-	-	597,797	597,797
Transfers out	(26,190,047)	(26,554,345)	(26,543,448)	10,897
Total other financing sources (uses)	(26,190,047)	(26,554,345)	(25,945,651)	608,694
Net change in fund balances	(1,462,278)	(1,670,976)	(1,280,196)	390,780
Fund balances – beginning of year	1,676,603	1,676,603	3,697,732	2,021,129
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ 214,325	$ 5,627	$ 2,417,536	$ 2,411,909

(Continued)

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds (Continued)
For the Year Ended September 30, 2014

	Eliminations		
	Budget		
	Original	Final	Actual
Revenues:			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	(2,443,950)	(2,443,950)	(2,443,950)
Fines and forfeitures	-	-	-
Miscellaneous	(986,265)	(986,265)	(986,265)
Total revenues	(3,430,215)	(3,430,215)	(3,430,215)
Expenditures:			
General government	(2,469,364)	(2,469,364)	(2,469,364)
Public safety	(960,851)	(960,851)	(960,851)
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court costs	-	-	-
Total expenditures	(3,430,215)	(3,430,215)	(3,430,215)
Excess of revenues over (under) expenditures	-	-	-
Other Financing Sources (Uses):			
Transfers in	(28,978,637)	(28,978,637)	(32,728,654)
Transfers out	28,978,637	28,978,637	32,728,654
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balances – beginning of year	-	-	-
Change in prepaids	-	-	-
Change in inventory	-	-	-
Fund balances – end of year	$ -	$ -	$ -

(Continued)

Clay County, Florida

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Board and Officer Funds (Continued)
For the Year Ended September 30, 2014

	Combined General Fund			
	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 50,469,377	$ 50,469,377	$ 49,170,994	$ (1,298,383)
Intergovernmental	16,457,262	17,241,624	17,406,024	164,400
Charges for services	7,279,533	7,340,829	8,757,327	1,416,498
Fines and forfeitures	5,500	5,500	4,656	(844)
Miscellaneous	907,635	988,453	1,237,783	249,330
Total revenues	75,119,307	76,045,783	76,576,784	531,001
Expenditures:				
General government	24,018,639	22,760,102	19,940,753	2,819,349
Public safety	58,734,570	59,564,852	56,023,990	3,540,862
Physical environment	489,466	486,741	452,140	34,601
Transportation	3,351,257	3,351,257	2,909,109	442,148
Economic environment	211,017	211,017	159,636	51,381
Human services	5,226,218	5,226,218	4,959,408	266,810
Culture and recreation	4,676,121	4,675,316	3,919,981	755,335
Court costs	1,367,384	1,337,384	1,280,980	56,404
Total expenditures	98,074,672	97,612,887	89,645,997	7,966,890
Excess of revenues over (under) expenditures	(22,955,365)	(21,567,104)	(13,069,213)	8,497,891
Other Financing Sources (Uses):				
Transfers in	17,684,515	17,768,403	14,805,878	(2,962,525)
Transfers out	(1,297,516)	(3,054,837)	(2,058,506)	996,331
Total other financing sources (uses)	16,386,999	14,713,566	12,747,372	(1,966,194)
Net change in fund balances	(6,568,366)	(6,853,538)	(321,841)	6,531,697
Fund balances – beginning of year	21,313,949	21,313,949	28,757,373	7,443,424
Change in prepaids	-	-	3,640	3,640
Change in inventory	-	-	(38,498)	(38,498)
Fund balances – end of year	$ 14,745,583	$ 14,460,411	28,400,674	$ 13,940,263

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Special Revenue Funds				
	County Transportation Fund	Florida Boating Improvement	Hidden Waters MSBU	County Alcohol and Other Drug Abuse	Court Facility
Assets:					
Cash and cash equivalents	$ 781,564	$ 199,506	$ 8,734	$ 4,074	$ 1,060,771
Investments	1,720,115	641,573	-	-	2,214,144
Due from other funds	63,856	-	44	-	-
Due from other governments	898,410	-	-	-	-
Receivables	218	90	-	-	310
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 3,464,163	$ 841,169	$ 8,778	$ 4,074	$ 3,275,225
Liabilities:					
Accounts payable and accrued liabilities	$ 361,910	$ -	$ -	$ -	$ 14,260
Due to other funds	85,561	-	8,535	-	-
Unearned revenues	18,448	-	-	-	-
Total liabilities	465,919	-	8,535	-	14,260
Deferred inflow of resources:					
Unavailable revenue	191,698	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	2,806,546	841,169	243	4,074	3,260,965
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	2,806,546	841,169	243	4,074	3,260,965
Total liabilities, deferred inflow of resources and fund balances	$ 3,464,163	$ 841,169	$ 8,778	$ 4,074	$ 3,275,225

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Special Revenue Funds				
	Law Enforcement Trust	Law Library	Tourist Development Trust	Second Dollar Sheriff Education	Free Library
Assets:					
Cash and cash equivalents	$ 292,103	$ 74,097	$ 402,511	$ 26,933	$ 25,712
Investments	81,989	-	899,525	3	402,213
Due from other funds	89,842	-	5,556	41,635	-
Due from other governments	-	-	-	-	-
Receivables	14	-	124	-	57
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 463,948	$ 74,097	$ 1,307,716	$ 68,571	$ 427,982
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 410	$ 12,449	$ -	$ 55,264
Due to other funds	-	73,687	14	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	-	74,097	12,463	-	55,264
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	463,948	-	1,295,253	68,571	372,718
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	463,948	-	1,295,253	68,571	372,718
Total liabilities, deferred inflow of resources and fund balances	$ 463,948	$ 74,097	$ 1,307,716	$ 68,571	$ 427,982

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Special Revenue Funds				
	Investigative Drug	Legal Aid Fees	SHIP	Florida Arts License Tag	Court Mediation
Assets:					
Cash and cash equivalents	$ 30,616	$ 59,119	$ 746,219	$ 1,503	$ 29,933
Investments	57,168	-	200,326	-	1,393
Due from other funds	48,617	-	-	-	-
Due from other governments	-	-	-	140	-
Receivables	8	-	30	-	-
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 136,409	$ 59,119	$ 946,575	$ 1,643	$ 31,326
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 35,155	$ 40,230	$ 68	$ 120
Due to other funds	-	-	2	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	-	35,155	40,232	68	120
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	136,409	23,964	906,343	1,575	31,206
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	136,409	23,964	906,343	1,575	31,206
Total liabilities, deferred inflow of resources and fund balances	$ 136,409	$ 59,119	$ 946,575	$ 1,643	$ 31,326

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Special Revenue Funds				
	Oak Forest Road MSBU	Teen Court	CDBG Grant Fund	Student Driver Education	Municipal Service
Assets:					
Cash and cash equivalents	$ 31,779	$ 3,847	$ -	$ 143,072	$ 604,274
Investments	-	-	-	173,840	1,367,440
Due from other funds	257	575	-	-	-
Due from other governments	-	-	-	-	2,445
Receivables	-	-	-	26	17,899
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 32,036	$ 4,422	$ -	$ 316,938	$ 1,992,058
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 6,940	$ 31,618	$ 58,307	$ 58,392
Due to other funds	25,072	-	-	-	526
Unearned revenues	-	-	-	-	-
Total liabilities	25,072	6,940	31,618	58,307	58,918
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	6,964	(2,518)	-	258,631	1,933,140
Assigned	-	-	-	-	-
Unassigned	-	-	(31,618)	-	-
Total fund balances	6,964	(2,518)	(31,618)	258,631	1,933,140
Total liabilities, deferred inflow of resources and fund balances	$ 32,036	$ 4,422	$ -	$ 316,938	$ 1,992,058

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Special Revenue Funds				
	Blue Jay MSBU	911 Wireless	State Court Local Requirements	Two Dollar Recording Fee	Crime Prevention Program
Assets:					
Cash and cash equivalents	$ 34,345	$ 194,538	$ 27,583	$ 277,307	$ 76,918
Investments	-	574,124	684,647	-	172,461
Due from other funds	479	-	152,295	169,478	15,123
Due from other governments	1,412	143,421	-	-	-
Receivables	-	83	95	-	24
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 36,236	$ 912,166	$ 864,620	$ 446,785	$ 264,526
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 15,074	$ 44,347	$ -	$ -
Due to other funds	30,251	65	-	6,971	-
Unearned revenues	1,412	-	-	-	-
Total liabilities	31,663	15,139	44,347	6,971	-
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	4,573	897,027	820,273	439,814	264,526
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	4,573	897,027	820,273	439,814	264,526
Total liabilities, deferred inflow of resources and fund balances	$ 36,236	$ 912,166	$ 864,620	$ 446,785	$ 264,526

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Special Revenue Funds				
	Juvenile Program	Building	Fire MSTU	Fire Inspection Fee Fund	Inmate Welfare Fund
Assets:					
Cash and cash equivalents	$ 78,608	$ 1,804,379	$ 999,301	$ 64,616	$ 197,660
Investments	-	1,273,690	283,986	-	-
Due from other funds	-	3,955	-	-	21,527
Due from other governments	-	9,190	67,267	-	-
Receivables	-	189	141	1,575	37,735
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 78,608	$ 3,091,403	$ 1,350,695	$ 66,191	$ 256,922
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ 51,691	$ 113,090	$ 1,534	$ 6,614
Due to other funds	78,608	121	-	3,955	5,994
Unearned revenues	-	-	-	1,225	-
Total liabilities	78,608	51,812	113,090	6,714	12,608
Deferred inflow of resources:					
Unavailable revenue	-	-	5,651	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	-	3,039,591	1,231,954	59,477	244,314
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	3,039,591	1,231,954	59,477	244,314
Total liabilities, deferred inflow of resources and fund balances	$ 78,608	$ 3,091,403	$ 1,350,695	$ 66,191	$ 256,922

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Special Revenue Funds			
	Sheriff Special Revenue	Clerk Fine and Forfeiture	Records Modern-ization	Information Technology
Assets:				
Cash and cash equivalents	$ 474,977	$ 986,359	$ 186,324	$ 70,839
Investments	-	-	75,714	27,325
Due from other funds	-	-	2,923	4,048
Due from other governments	-	64,115	-	-
Receivables	29,875	272	-	33,000
Prepaids	-	4,707	-	-
Inventory	14,311	-	-	-
Total assets	$ 519,163	$ 1,055,453	$ 264,961	$ 135,212
Liabilities:				
Accounts payable and accrued liabilities	$ 4,716	$ 211,757	$ 3,435	$ 3,863
Due to other funds	230,094	526,458	-	-
Due to other governments	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	234,810	738,215	3,435	3,863
Deferred inflow of resources:				
Unavailable revenue	-	-	-	-
Fund balances:				
Nonspendable:				
Prepaids	-	4,707	-	-
Inventory	14,311	-	-	-
Restricted	270,042	312,531	261,526	131,349
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	284,353	317,238	261,526	131,349
Total liabilities, deferred inflow of resources and fund balances	$ 519,163	$ 1,055,453	$ 264,961	$ 135,212

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Special Revenue Funds				
	BCC Technology	CGD Supplementary Fee	Teen Court	Clay County Archives	Communications Tower
Assets:					
Cash and cash equivalents	$ 139,227	$ 3,671	$ 21,250	$ 7,563	$ 49,774
Investments	-	1,159	-	-	2,994
Due from other funds	-	-	-	-	4,337
Due from other governments	-	-	-	-	-
Receivables	33,000	-	-	-	-
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 172,227	$ 4,830	$ 21,250	$ 7,563	$ 57,105
Liabilities:					
Accounts payable and accrued liabilities	$ 2,749	$ -	$ -	$ -	$ 3,693
Due to other funds	169,478	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	172,227	-	-	-	3,693
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	-	4,830	21,250	7,563	53,412
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	4,830	21,250	7,563	53,412
Total liabilities, deferred inflow of resources and fund balances	$ 172,227	$ 4,830	$ 21,250	$ 7,563	$ 57,105

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Debt Service Funds			Capital Project Funds	
	Gas Tax Refunding Bonds	Special Assessment Bonds August 1, 1990	Surtax Revenue Bonds 2009	CIP Northeast Sector	CIP West Sector
Assets:					
Cash and cash equivalents	$ -	$ 198	$ 78,338	$ 117,294	$ 55,142
Investments	-	-	7,967,406	301,594	119,727
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Receivables	-	-	1,696	41	16
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ -	$ 198	$ 8,047,440	$ 418,929	$ 174,885
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	-	198	8,047,440	418,929	174,885
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	-	198	8,047,440	418,929	174,885
Total liabilities, deferred inflow of resources and fund balances	$ -	$ 198	$ 8,047,440	$ 418,929	$ 174,885

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2014

	Capital Projects Funds				
	Capital Equipment	Branan Field APF	Sidewalk Fund	Lake Asbury APF	Totals
Assets:					
Cash and cash equivalents	$ -	$ 195,304	$ -	$ 18	$ 10,667,900
Investments	-	166,246	-	-	19,410,802
Due from other funds	-	-	-	-	624,547
Due from other governments	-	-	-	-	1,186,400
Receivables	-	23	-	-	156,541
Prepaids	-	-	-	-	4,707
Inventory	-	-	-	-	14,311
Total assets	$ -	$ 361,573	$ -	$ 18	32,065,208
Liabilities:					
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ 1,137,686
Due to other funds	-	-	-	-	1,245,392
Unearned revenues	-	-	-	-	21,085
Total liabilities	-	-	-	-	2,404,163
Deferred inflow of resources:					
Unavailable revenue	-	-	-	-	197,349
Fund balances:					
Nonspendable:					
Prepaids	-	-	-	-	4,707
Inventory	-	-	-	-	14,311
Restricted	-	361,573	-	18	29,476,296
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(31,618)
Total fund balances	-	361,573	-	18	29,463,696
Total liabilities, deferred inflow of resources and fund balances	$ -	$ 361,573	$ -	$ 18	32,065,208

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2014

	Special Revenue Funds				
	County Transportation Fund	Florida Boating Improvement	Hidden Waters MSBU	County Alcohol and Other Drug Abuse	Court Facility
Revenues:					
Taxes	$ 5,613,883	$ -	$ -	$ -	$ -
Licenses and permits	-	81,783	4,582	-	-
Intergovernmental	2,574,083	-	-	-	-
Charges for services	-	-	-	10,338	563,831
Fines and forfeitures	-	-	-	-	-
Miscellaneous	91,281	1,062	2	4	3,719
Total revenues	8,279,247	82,845	4,584	10,342	567,550
Expenditures					
Current:					
General government	-	22,099	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	8,911,531	-	9,687	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	299,925	-
Culture and recreation	-	-	-	-	-
Court costs	-	-	-	-	149,093
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	8,911,531	22,099	9,687	299,925	149,093
Excess of revenues over (under) expenditures	(632,284)	60,746	(5,103)	(289,583)	418,457
Other Financing Sources (Uses):					
Transfers in	937,170	-	44	290,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	937,170	-	44	290,000	-
Net change in fund balances	304,886	60,746	(5,059)	417	418,457
Fund balances – beginning of year	2,501,660	780,423	5,302	3,657	2,842,508
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ 2,806,546	$ 841,169	$ 243	$ 4,074	$ 3,260,965

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Special Revenue Funds				
	Law Enforcement Trust	Law Library	Tourist Development Trust	Second Dollar Sheriff Education	Free Library
Revenues:					
Taxes	$ -	$ -	$ 529,187	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	78,601	-	32,367	-
Fines and forfeitures	243,550	-	-	-	97,553
Miscellaneous	480	6	1,515	70	874
Total revenues	244,030	78,607	530,702	32,437	98,427
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	492,780	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	312,760
Court costs	-	4,920	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	4,920	492,780	-	312,760
Excess of revenues over (under) expenditures	244,030	73,687	37,922	32,437	(214,333)
Other Financing Sources (Uses):					
Transfers in	59,754	-	5,556	41,570	-
Transfers out	(150,000)	(73,687)	-	(50,000)	-
Total other financing sources (uses)	(90,246)	(73,687)	5,556	(8,430)	-
Net change in fund balances	153,784	-	43,478	24,007	(214,333)
Fund balances – beginning of year	310,164	-	1,251,775	44,564	587,051
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ 463,948	$ -	$ 1,295,253	$ 68,571	$ 372,718

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Special Revenue Funds				
	Investigative Drug	Legal Aid Fees	SHIP	Florida Arts License Tag	Court Mediation
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	450,308	-	-
Charges for services	-	78,601	-	2,170	-
Fines and forfeitures	40,696	-	-	-	-
Miscellaneous	184	8	103,814	-	37
Total revenues	40,880	78,609	554,122	2,170	37
Expenditures					
Current:					
General government	-	-	19,647	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	558,329	-	-
Human services	-	140,619	-	-	-
Culture and recreation	-	-	-	3,015	-
Court costs	-	-	-	-	11,508
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	140,619	577,976	3,015	11,508
Excess of revenues over (under) expenditures	40,880	(62,010)	(23,854)	(845)	(11,471)
Other Financing Sources (Uses):					
Transfers in	48,532	74,000	-	-	-
Transfers out	(65,000)	-	-	-	-
Total other financing sources (uses)	(16,468)	74,000	-	-	-
Net change in fund balances	24,412	11,990	(23,854)	(845)	(11,471)
Fund balances – beginning of year	111,997	11,974	930,197	2,420	42,677
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ 136,409	$ 23,964	$ 906,343	$ 1,575	$ 31,206

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Special Revenue Funds				
	Oak Forest Road MSBU	Teen Court	CDBG Grant Fund	Student Driver Education	Municipal Service
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ 778,556
Licenses and permits	28,950	-	-	-	6,470
Intergovernmental	-	-	223,752	-	15,148
Charges for services	-	52,187	-	48,666	318,940
Fines and forfeitures	-	-	-	-	19,719
Miscellaneous	5	1	-	315	298,316
Total revenues	28,955	52,188	223,752	48,981	1,437,149
Expenditures					
Current:					
General government	-	-	-	-	790,450
Public safety	-	-	-	58,306	-
Physical environment	-	-	-	-	645,616
Transportation	26,681	-	-	-	-
Economic environment	-	-	243,107	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court costs	-	-	-	-	-
Capital outlay	-	-	-	-	
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	26,681	-	243,107	58,306	1,436,066
Excess of revenues over (under) expenditures	2,274	52,188	(19,355)	(9,325)	1,083
Other Financing Sources (Uses):					
Transfers in	257	575	-	-	-
Transfers out	-	(62,601)	-	-	-
Total other financing sources (uses)	257	(62,026)	-	-	-
Net change in fund balances	2,531	(9,838)	(19,355)	(9,325)	1,083
Fund balances – beginning of year	4,433	7,320	(12,263)	267,956	1,932,057
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances (deficit) – end of year	$ 6,964	$ (2,518)	$ (31,618)	$ 258,631	$ 1,933,140

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Special Revenue Funds				
	Blue Jay MSBU	911 Wireless	State Court Local Requirements	Two Dollar Recording Fee	Crime Prevention Program
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	53,787	-	-	-	-
Intergovernmental	25,762	926,762	-	-	-
Charges for services	-	-	78,601	281,810	-
Fines and forfeitures	-	-	-	-	113,187
Miscellaneous	3	4,321	1,125	10,167	333
Total revenues	79,552	931,083	79,726	291,977	113,520
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	1,235,480	-	-	-
Physical environment	-	-	-	-	-
Transportation	36,061	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court costs	-	-	264,191	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	36,061	1,235,480	264,191	-	-
Excess of revenues over (under) expenditures	43,491	(304,397)	(184,465)	291,977	113,520
Other Financing Sources (Uses):					
Transfers in	479	-	152,295	169,478	15,077
Transfers out	-	(93,494)	-	(352,650)	(100,000)
Total other financing sources (uses)	479	(93,494)	152,295	(183,172)	(84,923)
Net change in fund balances	43,970	(397,891)	(32,170)	108,805	28,597
Fund balances – beginning of year	(39,397)	1,294,918	852,443	331,009	235,929
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances (deficit) – end of year	$ 4,573	$ 897,027	$ 820,273	$ 439,814	$ 264,526

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Special Revenue Funds				
	Juvenile Program	Building	Fire MSTU	Fire Inspection Fee Fund	Inmate Welfare Fund
Revenues:					
Taxes	$ -	$ -	$ 3,733,114	$ -	$ -
Licenses and permits	-	1,691,242	-	-	-
Intergovernmental	-	-	198,644	-	-
Charges for services	78,601	-	-	79,395	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	7	7,925	6,796	15	312,298
Total revenues	78,608	1,699,167	3,938,554	79,410	312,298
Expenditures					
Current:					
General government	-	-	17,241	-	-
Public safety	-	1,722,772	3,736,806	97,405	309,112
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court costs	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	1,722,772	3,754,047	97,405	309,112
Excess of revenues over (under) expenditures	78,608	(23,605)	184,507	(17,995)	3,186
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(78,608)	-	-	-	-
Total other financing sources (uses)	(78,608)	-	-	-	-
Net change in fund balances	-	(23,605)	184,507	(17,995)	3,186
Fund balances – beginning of year	-	3,063,196	1,047,447	77,472	241,128
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ -	$ 3,039,591	$ 1,231,954	$ 59,477	$ 244,314

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Special Revenue Funds			
	Sheriff Special Revenue	Clerk Fine and Forfeiture	Records Modern-ization	Information Technology
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	555,973	-	-
Charges for services	-	2,765,357	89,259	273,820
Fines and forfeitures	58,382	518,182	132,678	-
Miscellaneous	657	85,103	3,766	38,053
Total revenues	59,039	3,924,615	225,703	311,873
Expenditures				
Current:				
General government	-	-	135,704	-
Public safety	670,359	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	3,828,536	123,849	382,323
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	670,359	3,828,536	259,553	382,323
Excess of revenues over (under) expenditures	(611,320)	96,079	(33,850)	(70,450)
Other Financing Sources (Uses):				
Transfers in	805,144	2,436	-	-
Transfers out	(199,781)	-	-	-
Total other financing sources (uses)	605,363	2,436	-	-
Net change in fund balances	(5,957)	98,515	(33,850)	(70,450)
Fund balances – beginning of year	289,344	228,751	295,376	201,799
Change in prepaids	-	(10,028)	-	-
Change in inventory	966	-		
Fund balances – end of year	$ 284,353	$ 317,238	$ 261,526	$ 131,349

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Special Revenue Funds				
	BCC Technology	CGD Supplementary Fee	Teen Court	Clay County Archives	Communications Tower
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	621	-	-	-
Fines and forfeitures	-	-	-	-	118,988
Miscellaneous	33,000	7	5,261	3,321	48
Total revenues	33,000	628	5,261	3,321	119,036
Expenditures					
Current:					
General government	-	-	-	3,307	-
Public safety	-	-	-	-	97,879
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court costs	216,172	180	8,719	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	216,172	180	8,719	3,307	97,879
Excess of revenues over (under) expenditures	(183,172)	448	(3,458)	14	21,157
Other Financing Sources (Uses):					
Transfers in	352,650	-	-	-	179,306
Transfers out	(169,478)	-	-	-	(140,000)
Total other financing sources (uses)	183,172	-	-	-	39,306
Net change in fund balances	-	448	(3,458)	14	60,463
Fund balances – beginning of year	-	4,382	24,708	7,549	(7,051)
Change in prepaids	-	-	-	-	-
Change in inventory		-	-	-	-
Fund balances (deficit) – end of year	$ -	$ 4,830	$ 21,250	$ 7,563	$ 53,412

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Debt Service Funds			Capital Project Funds	
	Gas Tax Refunding Bonds	Special Assessment Bonds August 1, 1990	Surtax Revenue Bonds 2009	CIP Northeast Sector	CIP West Sector
Revenues:					
Taxes	$ -	$ 197	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	2	-	25,951	548	205
Total revenues	2	197	25,951	548	205
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court costs	-	-	-	-	-
Capital outlay	-	-	-	200,001	-
Debt service:					
Principal retirement	-	-	7,380,000	-	-
Interest and fiscal charges	-	-	2,083,324	-	-
Total expenditures	-	-	9,463,324	200,001	-
Excess of revenues over (under) expenditures	2	197	(9,437,373)	(199,453)	205
Other Financing Sources (Uses):					
Transfers in	-	1	9,463,325	-	-
Transfers out	(137,081)	(90)	-	-	-
Total other financing sources (uses)	(137,081)	(89)	9,463,325	-	-
Net change in fund balances	(137,079)	108	25,952	(199,453)	205
Fund balances – beginning of year	137,079	90	8,021,488	618,382	174,680
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ -	$ 198	$ 8,047,440	$ 418,929	$ 174,885

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2014

	Capital Projects Funds				
	Capital Equipment	Branan Field APF	Sidewalk Fund	Lake Asbury APF	Totals
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ 10,654,937
Licenses and permits	-	-	-	-	1,866,814
Intergovernmental	-	-	-	-	4,970,432
Charges for services	-	-	-	-	4,833,165
Fines and forfeitures	-	-	-	-	1,342,935
Miscellaneous	-	1,010	-	-	1,041,615
Total revenues	-	1,010	-	-	24,709,898
Expenditures					
Current:					
General government	-	-	-	-	988,448
Public safety	-	-	-	-	7,928,119
Physical environment	-	-	-	-	645,616
Transportation	-	-	-	-	8,983,960
Economic environment	-	-	-	-	1,294,216
Human services	-	-	-	-	440,544
Culture and recreation	-	-	-	-	315,775
Court costs	-	-	-	-	4,989,491
Capital outlay	-	349,999	-	-	550,000
Debt service:					
Principal retirement	-	-	-	-	7,380,000
Interest and fiscal charges	-	-	-	-	2,083,324
Total expenditures	-	349,999	-	-	35,599,493
Excess of revenues over (under) expenditures	-	(348,989)	-	-	(10,889,595)
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	12,597,649
Transfers out	(611)	-	(8)	-	(1,673,089)
Total other financing sources (uses)	(611)	-	(8)	-	10,924,560
Net change in fund balances	(611)	(348,989)	(8)	-	34,965
Fund balances – beginning of year	611	710,562	8	18	29,437,793
Change in prepaids	-	-	-	-	(10,028)
Change in inventory	-	-	-	-	966
Fund balances – end of year	$ -	$ 361,573	$ -	$ 18	29,463,696

Clay County, Florida

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2014

	Clerk of Circuit Court	Sheriff	Tax Collector	Totals
Assets:				
Cash and cash equivalents	$ 6,460,953	$ 237,037	$ 2,521,140	$ 9,219,130
Receivables	6,239	41,142	5,951	53,332
Total assets	6,467,192	278,179	2,527,091	9,272,462
Liabilities:				
Assets held for others	6,467,192	278,179	2,527,091	9,272,462
Net assets	$ -	$ -	$ -	$ -

Clay County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2014

Federal Agency	Federal CFDA Number	Contract Number	Expenditures	Program Totals
US Department of Agriculture				
Direct Assistance:				
Emergency Watershed Protection Program	10.923	69-4209-13-1785	$ 181,723	$ 181,723
Passed through Florida Forest Service:				
Volunteer Fire Assistance Grant	10.XXX	FY13 VFA Grant	5,296	5,296
U.S. Department of Housing and Urban Development				
Passed through the Florida Department of Economic Opportunity:				
Fl Small Cities CDBG Grant Program	14.228	10-DB-4X-04-20-01-F-07	144,188	
Fl Small Cities CDBG Grant Program	14.228	12-DB-Q5-04-20-01-F-01	98,919	243,107
U.S. Department of Justice				
Direct Assistance:				
SCAAP	16.606	2013-AP-BX-0255	13,224	
SCAAP	16.606	2012-AP-BX-0538	24,341	37,565
COPS-CSPP	16.710	2011CSWX0008	39,862	39,862
JAG Local Solicitation	16.738	2011-DJ-BX-3208	54,658	
JAG Local Solicitation	16.738	2011-DJ-BX-1075	52,495	
JAG Local Solicitation	16.738	2012-DJ-BX-0827	21,069	
Passed through Florida Department of Law Enforcement:				
Clay County Drug Task Force	16.738	2014JAGCCLAY1E5029	63,953	192,175
Federal Highway Administration				
Passed through the Florida Department of Transportation:				
Emergency Local Government Emergency Relief Agreement	20.005	ARE21	3,618	3,618
U.S. Department of Health and Human Services				
Passed through the Florida Department of Revenue:				
Child Support Enforcement	93.563	CSP10	14,025	
IV-D Reimbursement	93.563	FFY2010	2,436	16,461
U.S. Department of Homeland Security				
Direct Assistance:				
Assistance to Firefighter Grant	97.044	EMW-2010-FO-09965	29,967	
Assistance to Firefighter Grant	97.044	EMW-2011-FO-09159	28,432	58,399
SAFER Grant	97.083	EMW-2013-FH-00545	506,313	506,313
Passed through the Florida Department of Community Affairs:				
Emergency Management Performance Grant	97.042	14-FG-1M-04-20-01-077	65,672	
Emergency Management Performance Grant	97.042	15-FG-4D-04-20-01-077	39,966	105,638
SHSGP – Issue 7	97.067	12-DS-20-04-20-01-421	23,182	
FY 12 SHSGP – Issue 11	97.067	13-DS-97-04-20-01-378	9,580	
Passed through the Florida Department of Financial Services:				
SHSGP – HAZMAT	97.067	12-DS-20-13-00-16-5011	2,025	
SHSGP – HAZMAT	97.067	13-DS-97-13-00-16-409	9,868	
SHSGP – HAZMAT	97.067	14-DS-L5-04-20-01-417	5,651	
Passed through the Florida Division of Emergency Management:				
2013 School Retrofit	97.067	13-SR-AA-04-20-01-362	6,264	56,570
Tropical Storm Debby	97.036	13-DB-73-04-20-02-525	37,445	37,445
Total Expenditures of Federal Awards			$ 1,484,172	$ 1,484,172

(Continued)

Clay County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2014

State Agency	State CSFA Number	Contract Number	Expenditures	Program Totals
Florida Department of Economic Opportunity				
Emergency Management Preparedness Base Grant	31.063	14-BG-83-04-20-01-010	$ 90,670	
Emergency Management Preparedness Base Grant	31.063	15-BG-83-04-20-01-010	21,693	$ 112,363
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	18759	2,908	
Mosquito Control	42.003	20288	11,008	13,916
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	10-ST-09	163,231	
State Aid to Libraries	45.030	11-ST-08	369,276	532,507
Florida Housing Finance Corporation				
State Housing Initiatives Partnership	52.901	--	577,976	577,976
Florida Department of Transportation				
State Highway Project Reimbursement Program	55.023	AN691	62,806	
Traffic Signal Maintenance Agreement	55.023	AM593	67,805	130,611
NPDES - Phase II	55.024	ANA71	1,849	1,849
Florida Department of Highway Safety				
Florida Arts License Plates	76.041	--	3,015	3,015
Total Expenditures of State Financial Awards			$ 1,372,237	$ 1,372,237

See notes to the schedule of expenditures of federal awards and state financial assistance.

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, 2014. 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 assets 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, 2014

ADDITIONAL ELEMENTS REQUIRED
BY THE RULES OF THE AUDITOR GENERAL

McGladrey

Management Letter Required by Chapter 10.550 of the Rules of the Auditor General of the State of Florida

The Honorable County Commissioners
Clay County, Florida

Report on the Financial Statements

We have audited the financial statements of Clay County, Florida (the County) as of and for the year ended September 30, 2014, and issued our report thereon dated March 12, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.*

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financing Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance For the Major Federal Program and State Financial Assistance Projects; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance required by OMB Circular A-133 and Chapter 10.550 Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 12, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1, Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior year audit findings

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The specific legal authority that established the County is disclosed in Note 1 of the financial statements.

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Financial Condition

Section 10.554(1)(i)5a, Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to sections 10.554(1)(i)5c and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of the financial information provided by the same.

Annual Financial Report

Section 10.554(1)(i)6b, Rules of the Auditor General, requires that we determine whether the annual financial report for the County for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Jacksonville, Florida
March 12, 2015

McGladrey

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 County Commissioners
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 governmental activities, the business-type activities, the aggregate 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 12, 2015. Our report includes a reference to other auditors who audited the financial statements of the Housing Finance Authority of Clay County, Florida, 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 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*.

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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 result 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGladrey LLP

Jacksonville, Florida
March 12, 2015

McGladrey

Independent Auditors' Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Florida 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 Circular A-133 Compliance Supplement* and the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the County's major federal program and state projects for the year ended September 30, 2014. The County's major federal program and state projects are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

The County's basic financial statements include the operations of the Housing Finance Authority of Clay County, Florida (the "Authority"), for which any federal or state grant activity is not included in the schedule of expenditures of federal awards and state financial assistance. Our audit, described below, did not include the operations of the Authority because the component unit engaged another auditor to perform an audit in accordance with OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Florida Auditor General*, if applicable.

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 the County's major federal program 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 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 the major federal program and state projects. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on the State Housing Initiative Partnership Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CSFA 52.901 State Housing Initiative Partnership Program as described in finding number 2014-01 for Reporting. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that project.

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Qualified Opinion on the State Housing Initiative Partnership Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the State Housing Initiative Partnership Program for the year ended September 30, 2014.

Unmodified Opinion on the Other Major Federal Program and State Projects

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 its other major federal program and state project identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2014.

Other Matters

The County's response to the noncompliance finding identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and state projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and state projects and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Florida 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-01 to be a material weakness.

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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

McGladrey LLP

Jacksonville, Florida
March 12, 2015

Clay County, Florida

Schedule of Findings and Questioned Costs

I - Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified not considered to be material weakness(es)?		Yes	X	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
97.083	SAFER Grant

Dollar threshold used to distinguish between type A and type B programs / projects:		$	300,000	
Auditee qualified as low-risk auditee?	X	Yes		No

(Continued)

Schedule of Findings and Questioned Costs (Continued)

State Financial Assistance

Internal control over major projects:				
Material weakness(es) identified?	X	Yes		No
Significant deficiency(ies) identified not considered to be material weakness(es)?		Yes	X	None Reported
Type of auditor's report issued on compliance for major projects:	Qualified			
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General	X	Yes		No

Identification of major projects:

CSFA Number	Name of State Project or Cluster
52.901	State Housing Initiative Partnership
55.023	State Highway Project Reimbursement Program

Dollar threshold used to distinguish between type A and type B projects: $ 300,000

Section II – Financial Statement Findings

There were no findings relative to the financial statements.

Section III – Findings and Questioned Costs – Federal Program

There were no findings relative to the major federal programs.

Section IV – Findings and Questioned Costs – State Projects

Florida Housing Finance Corporation
State Housing Initiative Partnership Program (CSFA No. 52.901)

Reporting

Criteria: Each County that participate in the State Housing Initiative Partnership Program ("SHIP") is required to submit to the Florida Housing Finance Corporation (the "Corporation") by September 15 of each year a report of its affordable housing programs and accomplishments through June 30, immediately preceding submittal of the report. The report shall be certified as accurate and complete by the local government's chief elected official or his or her designee. Transmittal of the annual report by a county's chief elected official, or his or her designee, certifies that the local housing incentive strategies have been implemented or are in the process of being implemented pursuant to the adopted schedule for implementation.

This report contains demographic and financial information for the three most recent annual allocations. Under the rules of the Corporation, counties have three years to expend their annual SHIP allocation. Accordingly, information reported for the two most recent allocations is considered progress reporting, where information reported on the allocation for the third subsequent period is considered to be a close out report.

Condition: The County lacks sufficient processes and controls pertaining to the tracking of project expenditures specific to each annual allocation. As a result, the County was unable to file the close out report for the fiscal 2011 SHIP allocation. This report was originally due on September 15, 2014. An extension of time was then granted by the Corporation through December 31, 2014. However, the County was unable to file this report.

We also determined that the progress reporting for the 2012 and 2013 SHIP allocations was inaccurate. The expenditures listed on these reports are listed as questioned costs.

Context: This condition appears to be limited to the SHIP program.

Questioned Costs: $0

Cause: The SHIP personnel are tracking the revenues and expenditures related to the SHIP allocations outside of the County's accounting system. There are not sufficient processes and controls in place to reconcile these external tracking spreadsheets with information contained in the County's accounting system.

Effect: Reports submitted to the Corporation have been prepared using financial data collected on these external tracking spreadsheets. Because these spreadsheets are not reconciled to the County's accounting system, errors contained on these spreadsheets were not detected and the amounts reported to the Corporation on the progress reports for the 2012 and 2013 SHIP allocations were inaccurate.

Upon determining that the information contained on these tracking spreadsheets was inaccurate, the County lacked the information to be able to file the close out report for the 2011 SHIP allocation.

Recommendation: The County should retrospectively reconcile the 2012 and 2013 SHIP allocation progress reports to the data recorded in the housing fund of the County's accounting records. The County should report any discrepancies to the Corporation and file amended reports as necessary. Once this information has been reconciled and corrected, the County should file a close out report for the 2011 SHIP allocation.

To prevent these errors from reoccurring, we also recommend that the County establish a practice of periodically reconciling these tracking spreadsheets maintained by SHIP personnel to the information contained in the housing fund of the County's accounting system.

Response / Planned Corrective Action: The County has been unable to fully reconcile the 2012 and 2013 SHIP allocation between the general ledger and the SHIP reports due to the lack of an accurate beginning balance of unspent funds as reflected on the annual SHIP reports. These reports have been reviewed and accepted by a consultant with the Florida Housing Coalition as well as the Florida Housing Finance Corporation. We will notify the Florida Housing Finance Corporation of the additional funds not reflected on the reports.

A process has been implemented to fully reconcile the annual SHIP reports to the accounting system.

The 2011 SHIP close out report has been filed and accepted. Future reports will be better tracked.

Clay County, Florida

Summary Schedule of Prior Year Findings

There were no prior audit findings.

McGladrey

Independent Accountant's Report

To the Board of County Commissioners
Clay County, Florida

We have examined Clay County, Florida's (the "County") compliance with Sections 218.415, 28.35, and 28.36 Florida Statutes, for the year ended September 30, 2014. 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, 2014.

This report is intended solely for the information and use of the Florida Auditor General, the Board of County Comisioners, elected Constitutional Officers of Clay County, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Jacksonville, Florida
March 12, 2015

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Clay County, Florida

Clerk of the Circuit Court Audit Financial Report
September 30, 2014

McGladrey

Assurance ▪ Tax ▪ Consulting

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McGladrey

Independent Auditors' 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 Clerk of the Circuit Court of Clay County, Florida (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office'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 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 financial position of each major fund and the aggregate remaining fund information of the Office as of September 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of a Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), Rules of the Auditor General for Local Government Entity Audits. These financial statements are not intended to be a complete presentation of the financial position of the Office, or Clay County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The combining nonmajor governmental fund financial statements and combining statement of fiduciary net positions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2015 on our consideration of the Office's internal control over financial reporting and 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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Clay County, Florida, Clerk of the Circuit Court

Balance Sheet – Governmental Funds
September 30, 2014

Assets	General Fund	Fine and Forfeiture Fund	Records Modernization Fund	BCC Technology Fund	Other Governmental Funds	Total Governmental Funds
Equity in pooled cash	$ 220,247	$ 986,359	$ 186,324	$ 139,227	$ 82,073	$ 1,614,230
Cash	$ -	$ -	$ -	$ -	$ 21,250	$ 21,250
Investments	$ -	$ -	$ 75,714	$ -	$ 28,484	$ 104,198
Accounts receivable	$ 68	$ 272	$ -	$ 33,000	$ 33,000	$ 66,340
Due from other county agencies	$ 70	$ -	$ 2,923	$ -	$ 4,048	$ 7,041
Due from other governments	$ 9,705	$ 64,115	$ -	$ -	$ -	$ 73,820
Prepaids	$ 6,992	$ 4,707	$ -	$ -	$ -	$ 11,699
Total assets	$ 237,082	$ 1,055,453	$ 264,961	$ 172,227	$ 168,855	$ 1,898,578
Liabilities						
Accounts payable and accrued liabilities	$ 79,170	$ 78,953	$ 3,435	$ 2,749	$ 3,863	$ 168,170
Due to other governments	$ -	$ 132,804	$ -	$ -	$ -	$ 132,804
Due to other county agencies	$ 150,920	$ 526,458	$ -	$ 169,478	$ -	$ 846,856
Total liabilities	$ 230,090	$ 738,215	$ 3,435	$ 172,227	$ 3,863	$ 1,147,830
Fund Balances						
Nonspendable	$ 6,992	$ 4,707	$ -	$ -	$ -	$ 11,699
Restricted	$ -	$ 312,531	$ 261,526	$ -	$ 164,992	$ 739,049
Total fund balances	$ 6,992	$ 317,238	$ 261,526	$ -	$ 164,992	$ 750,748
Total liabilities and fund balances	$ 237,082	$ 1,055,453	$ 264,961	$ 172,227	$ 168,855	$ 1,898,578

See Notes to Financial Statements.

Clay County, Florida, Clerk of the Circuit Court

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
For the Year Ended September 30, 2014

	General Fund	Fine and Forfeiture Fund	Records Modernization Fund	BCC Technology Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental	$ -	$ 555,973	$ -	$ -	$ -	$ 555,973
Charges for services	$ 1,016,680	$ 2,765,357	$ 89,259	$ -	$ 274,441	$ 4,145,737
Fines and forfeitures	$ -	$ 518,182	$ 132,678	$ -	$ -	$ 650,860
Miscellaneous revenue	$ 943	$ 85,103	$ 3,766	$ 33,000	$ 46,642	$ 169,454
Total revenues	$ 1,017,623	$ 3,924,615	$ 225,703	$ 33,000	$ 321,083	$ 5,522,024
Expenditures						
General government services:						
Personal services	$ 681,759	$ -	$ -	$ -	$ -	$ 681,759
Operating expenditures	$ 464,377	$ -	$ 88,592	$ -	$ 3,307	$ 556,276
Capital outlay	$ 64,568	$ -	$ 47,112	$ -	$ -	$ 111,680
Court related:						
Personal services	$ 59,911	$ 3,373,901	$ 85,116	$ 76,199	$ 39,122	$ 3,634,249
Operating expenditures	$ 391	$ 205,755	$ 37,027	$ 128,552	$ 286,874	$ 658,599
Capital outlay	$ -	$ 922	$ 1,706	$ 11,421	$ 65,226	$ 79,275
Total expenditures	$ 1,271,006	$ 3,580,578	$ 259,553	$ 216,172	$ 394,529	$ 5,721,838
Excess (deficiency) of revenues over (under) expenditures	$ (253,383)	$ 344,037	$ (33,850)	$ (183,172)	$ (73,446)	$ (199,814)
Other financing sources (uses)						
Transfer in – Appropriation from Board of County Commissioners	$ 404,000	$ 2,436	$ -	$ 352,650	$ -	$ 759,086
Transfer out – Reversion to Board of County Commissioners	$ (150,617)	$ -	$ -	$ (169,478)	$ -	$ (320,095)
Reversion to the Clerks of Court Operations Corporation	$ -	$ (247,958)	$ -	$ -	$ -	$ (247,958)
Total other financing sources (uses)	$ 253,383	$ (245,522)	$ -	$ 183,172	$ -	$ 191,033
Net change in fund balances	$ -	$ 98,515	$ (33,850)	$ -	$ (73,446)	$ (8,781)
Fund balances, October 1, 2013	$ 3,352	$ 228,751	$ 295,376	$ -	$ 238,438	$ 765,917
Change in prepaids	$ 3,640	$ (10,028)	$ -	$ -	$ -	$ (6,388)
Fund balances, September 30, 2014	$ 6,992	$ 317,238	$ 261,526	$ -	$ 164,992	$ 750,748

See Notes to Financial Statements.

Clay County, Florida, Clerk of the Circuit Court

Statement of Fiduciary Net Positions
September 30, 2014

Assets	Agency Funds
Equity in pooled cash	$ 1,492,567
Cash	$ 4,968,386
Receivables	$ 6,239
Total assets	$ 6,467,192
Liabilities	
Assets held for others	$ 6,467,192
Total liabilities	$ 6,467,192
Net positions	$ -

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

A. 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's financial statements do not purport to reflect the financial position or the results of operations of Clay County, Florida (the "County") taken as a whole. The financial activities of the Office, as a constitutional officer, are included in the Clay County, Florida County-wide financial statements.

B. Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida Section 10.556(4) (the "Rules") which requires that the Office present only fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures including management's discussion and analysis, these financial statements do not constitute a complete presentation of the Office as of September 30, 2014 and the changes in financial position for the year then ended in conformity with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Office 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, deferred outflows, liabilities, deferred inflows, 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 emphasis 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 & Forfeiture Fund – This fund is used to account for court- related charges and fines, and for state appropriations received by the Office to fund court-related 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, and for fines collected to be used exclusively for court-related expenditures.

BCC Technology Fund – 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.

Note 1. Summary of Significant Accounting Policies (Continued)

The Office reports the following nonmajor governmental funds:

Information Technology Fund – This fund is used to account for additional service charges collected and associated expenditures used exclusively to fund the court-related technology needs of the Office.

CGD Supplementary Fee – This fund is used to account for the services charges collected and used to upgrade the child support enforcement program.

Teen Court – This fund is used to account for donations received from the general public for the operation and administration of Teen Court.

Clay County Archives – This fund is used to account for donations received from the general public to promote County 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.

D. 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.

Spendable Fund Balance – Spendable fund balance includes the following categories:

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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 and any residual deficit fund balance in any other governmental fund.

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

E. 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 susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. For this purpose, the Office considers revenue to be available if they are collected within 60 days of year-end. Primary revenue sources susceptible to accrual include intergovernmental, when eligibility requirements are met, charges for services and interest. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt, claims and judgments, compensated absences and other post-employment benefits, which are not recorded as expenditures because these amounts will not be paid from expendable available resources. They are recognized when payment is due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting. Because of the custodial nature of these activities, an operating statement is not presented.

F. Capital Assets and Long-Term Liabilities

Upon acquisition, capital assets used by the Office are recorded as capital outlay expenditures in the fund financial statements of the Office and accounted for by the County in accordance with the County's capitalization policy in the governmental activities of the basic financial statements of the County.

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

Note 1. Summary of Significant Accounting Policies (Continued)

Employees of the Office may accumulate unused vacation and sick leave up to a specified amount. For governmental fund reporting a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation and sick leave is accrued as a liability when benefits are earned by employees, that is, the employees have rendered services that give rise to the vacation or sick leave liability and it is probable that the Office will compensate the employees in some manner, e.g. in cash or in paid time-off, now or upon termination or retirement.

G. Cash/ Equity in Pooled Cash

All cash of the Office, except that of the Teen Court and Clay County Archives nonmajor governmental funds, and the General Trust, 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 State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that all funds are entirely insured or collateralized throughout the fiscal year.

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. Pursuant to the provisions of GASB Statement No. 31, such investments are reported at fair value.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

I. Transfers In

In accordance with Florida Statutes, the Board of County Commissioners of the County is required to fund certain operations of the Office. These County appropriations are reported as transfers in.

J. Transfers Out

In accordance with Florida Statutes, all revenue and appropriations in excess of expenditures as of year-end are owed to either the Board of County Commissioners of or the Florida Clerk of Court Operating Corporation. These "excess fees" are reported as transfers out in the general and fine and forfeiture funds.

Note 1. Summary of Significant Accounting Policies (Continued)

K. Pension and Other Post-Employment Benefits

The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. The Office applies GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for the measurement, recognition and display of pension expenditures as discussed in Note 5.

The County applies GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, for the measurement, recognition, and display of other post-employment benefit expenditures, liabilities and assets. All obligations related to other post-employment benefits are funded through the County's general fund and recorded within the governmental activities section of the County's financial statements.

L. Risk Financing

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 recorded through the use of an internal service fund 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.

Note 2. Fund Balance Classifications

Balances of reported fund balance at September 30, 2014, are as follows:

	General Fund	Fine and Forfeiture Fund	Records Modernization Fund	BCC Technology Fund	Other Governmental Funds	Total
Nonspendable-prepaid items	$ 6,992	$ 4,707	$ -	$ -	$ -	$ 11,699
Restricted for:						
Court operations	$ -	$ 312,531	$ -	$ -	$ 21,250	$ 333,781
Court technology	$ -	$ -	$ -	$ -	$ 131,349	$ 131,349
Records modernization	$ -	$ -	$ 261,526	$ -	$ -	$ 261,526
Child support program	$ -	$ -	$ -	$ -	$ 4,830	$ 4,830
Archives	$ -	$ -	$ -	$ -	$ 7,563	$ 7,563
Total restricted	$ -	$ 312,531	$ 261,526	$ -	$ 164,992	$ 739,049
Total fund balances	$ 6,992	$ 317,238	$ 261,526	$ -	$ 164,992	$ 750,748

Note 3. Investments

As of September 30, 2014, the Office's investment in FLGIT consists of the following:

Fund	Fair Value	S&P Rating
Records Modernization Trust Fund	$ 75,714	AAAf
Information Technology Fund	$ 27,325	AAAf
CGD Supplementary Fee Fund	$ 1,159	AAAf
Totals	$ 104,198	

The weighted average life (WAL) of FLGIT at September 30, 2014 was 1.72 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 interest rate risk.

Note 4. Compensated Absences

A summary of changes in compensated absences 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, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	$ 409,000	$ 220,000	$ 203,000	$ 426,000	$ 265,000

Note 5. Pension Plan

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 3231 5-9000, or by calling (850) 488-6491.

Funding Policy. For the period October 1, 2013 through September 30, 2014 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were $358,195, $213,456 and $166,313, respectively, equal to the required contributions for each year.

Note 6. Operating Lease Commitments

The Office leases premises in Orange Park for office space. The agreement calls for 3% annual increases effective July 1st of each year. Future minimum rental payments are as follow:

Year Ended September 30,		Amount
2015	$	38,831
2016		29,774
Total	$	68,605

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, 2014, the Office incurred approximately $46,000 for these premises.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Clay County, Florida, Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for services	$ 1,349,845	$ 1,349,845	$ 1,016,680	$ (333,165)
Charges for services	-	-	943	943
Total revenues	1,349,845	1,349,845	1,017,623	(332,222)
Expenditures				
Current:				
General Government Services:				
Personal services	846,514	838,113	681,759	156,354
Operating expenditures	451,455	515,425	464,377	51,048
Capital outlay	393,275	337,706	64,568	273,138
Court Related:				
Personal services	60,504	60,004	59,911	93
Operating expenditures	2,097	2,357	391	1,966
Capital outlay	-	240	-	240
Total expenditures	1,753,845	1,753,845	1,271,006	482,839
Excess (deficiency) of revenues over (under) expenditures	(404,000)	(404,000)	(253,383)	150,617
Other Financing Sources Uses				
Transfer in – Appropriation from Board of County Commissioners	404,000	404,000	404,000	-
Transfer out – Reversion to Board of County Commissioners	-	-	(150,617)	(150,617)
Total other financing sources (uses)	404,000	404,000	253,383	(150,617)
Net change in fund balance	-	-	-	-
Fund balance – October 1, 2013	-	-	3,352	3,352
Change in prepaid postage	-	-	3,640	3,640
Fund balance – September 30, 2014	$ -	$ -	$ 6,992	$ 6,992

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.

Clay County, Florida, Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Fine and Forfeiture Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 377,195	$ 427,725	$ 555,973	$ 128,248
Charges for services	2,765,343	2,765,343	2,765,357	14
Fines and forfeitures	554,204	554,204	518,182	(36,022)
Miscellaneous revenue	29,828	29,828	85,103	55,275
Total revenues	3,726,570	3,777,100	3,924,615	147,515
Expenditures				
Court Related:				
Personal services	3,472,256	3,514,354	3,373,901	140,453
Operating expenditures	245,191	251,196	205,755	45,441
Capital outlay	9,123	11,550	922	10,628
Total expenditures	3,726,570	3,777,100	3,580,578	196,522
Excess of revenues over expenditures	-	-	344,037	344,037
Other Financing Sources (Uses)				
Transfer in – Appropriation from Board of County Commissioners	-	-	2,436	2,436
Transfer out – Reversion to the Board of County Commissioners	-	-	-	-
Reversion to the Clerks of Court Operations Corporation	-	-	(247,958)	(247,958)
Total other financing sources and uses	-	-	(245,522)	(245,522)
Net change in fund balance	-	-	98,515	98,515
Fund balance – October 1, 2013	-	-	228,751	228,751
Change in prepaid postage	-	-	(10,028)	(10,028)
Fund balance – September 30, 2014	$ -	$ -	$ 317,238	$ 317,238

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.

Clay County, Florida, Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Records Modernization Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 130,936	$ 130,936	$ 89,259	$ (41,677)
Fines and forfeitures	$ 136,166	$ 136,166	$ 132,678	$ (3,488)
Miscellaneous revenue	$ -	$ -	$ 3,766	$ 3,766
Total revenues	$ 267,102	$ 267,102	$ 225,703	$ (41,399)
Expenditures				
General Government:				
Operating expenditures	$ 260,202	$ 204,202	$ 88,592	$ 115,610
Capital outlay	$ 60,000	$ 116,000	$ 47,112	$ 68,888
Court Related:				
Personal services	$ 95,900	$ 95,900	$ 85,116	$ 10,784
Operating expenditures	$ 41,900	$ 41,900	$ 37,027	$ 4,873
Capital outlay	$ 113,888	$ 113,888	$ 1,706	$ 112,182
Total expenditures	$ 571,890	$ 571,890	$ 259,553	$ 312,337
Excess (deficiency) of revenues over (under) expenditures	$ (304,788)	$ (304,788)	$ (33,850)	$ 270,938
Fund balance – October 1, 2013	$ 304,788	$ 304,788	$ 295,376	$ (9,412)
Fund balance – September 30, 2014	$ -	$ -	$ 261,526	$ 261,526

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.

Clay County, Florida, Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – BCC Technology Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Miscellaneous revenue	$ -	$ -	$ 33,000	$ 33,000
Total revenues	-	-	33,000	33,000
Expenditures				
Court Related:				
Personal services	79,328	98,772	76,199	22,573
Operating expenditures	127,070	120,843	128,552	(7,709)
Capital outlay	146,252	133,035	11,421	121,614
Total expenditures	352,650	352,650	216,172	136,478
Excess (deficiency) of revenues over (under) expenditures	(352,650)	(352,650)	(183,172)	169,478
Other Financing Sources Uses				
Transfer in – Appropriation from Board of County Commissioners	352,650	352,650	352,650	-
Transfer out – Reversion to Board of County Commissioners	-	-	(169,478)	(169,478)
Total other financing sources (uses)	352,650	352,650	183,172	(169,478)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balance – October 1, 2013	-	-	-	-
Fund balance – September 30, 2014	$ -	$ -	$ -	$ -

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.

SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Information Technology Fund – This fund is used to account for additional service charges collected and associated expenditures used exclusively to fund the court-related technology needs of the Office.

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.

Clay County, Florida, Clerk of the Circuit Court

Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended September 30, 2014

	Information Technology Fund	CGD Supplementary Fee	Teen Court	Clay County Archives	Total
Assets:					
Equity in pooled cash	$ 70,839	$ 3,671	$ -	$ 7,563	$ 82,073
Cash	$ -	$ -	$ 21,250	$ -	$ 21,250
Investments	$ 27,325	$ 1,159	$ -	$ -	$ 28,484
Accounts receivable	$ 33,000	$ -	$ -	$ -	$ 33,000
Due from other county agencies	$ 4,048	$ -	$ -	$ -	$ 4,048
Total assets	$ 135,212	$ 4,830	$ 21,250	$ 7,563	$ 168,855
Liabilities:					
Accounts payable and accrued liabilities	$ 3,863	$ -	$ -	$ -	$ 3,863
Total liabilities	$ 3,863	$ -	$ -	$ -	$ 3,863
Fund Balances					
Restricted	$ 131,349	$ 4,830	$ 21,250	$ 7,563	$ 164,992
Total liabilities and fund balances	$ 135,212	$ 4,830	$ 21,250	$ 7,563	$ 168,855

Clay County, Florida, Clerk of the Circuit Court

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2014

	Information Technology Fund	CGD Supplementary Fee	Teen Court	Clay County Archives	Total
Revenues:					
Charges for services	$ 273,820	$ 621	$ -	$ -	$ 274,441
Miscellaneous revenue	38,053	7	5,261	3,321	46,642
Total revenues	311,873	628	5,261	3,321	321,083
Expenditures					
General Government:					
Operating expenditures	-	-	-	3,307	3,307
Court Related:					
Personal services	39,122	-	-	-	39,122
Operating expenditures	277,975	180	8,719	-	286,874
Capital outlay	65,226	-	-	-	65,226
Total expenditures	382,323	180	8,719	3,307	394,529
Net change in fund balances	(70,450)	448	(3,458)	14	(73,446)
Fund balances – October 1, 2013	201,799	4,382	24,708	7,549	238,438
Fund balances – September 30, 2014	$ 131,349	$ 4,830	$ 21,250	$ 7,563	$ 164,992

FIDUCIARY FUNDS – AGENCY FUNDS

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

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

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

Jury Witness – To account for the receipt and disbursement of the jury witness fund required by the Court.

Clay County, Florida, Clerk of the Circuit Court

Combining Statement of Fiduciary Net Positions
Agency Funds
September 30, 2014

	General Trust Fund	Central Government Depository (CGD) Fund	Registry of Court Fund	Jury Witness Fund	Total
Assets					
Equity in pooled cash	$ 1,481,903	$ 10,664	$ -	$ -	$ 1,492,567
Cash	$ 4,860	$ -	$ 4,957,932	$ 5,594	$ 4,968,386
Receivables	$ 4,814	$ 1,425	$ -	$ -	$ 6,239
Total assets	$ 1,491,577	$ 12,089	$ 4,957,932	$ 5,594	$ 6,467,192
Liabilities					
Assets held for others	$ 1,491,577	$ 12,089	$ 4,957,932	$ 5,594	$ 6,467,192
Total liabilities	$ 1,491,577	$ 12,089	$ 4,957,932	$ 5,594	$ 6,467,192
Net positions	$ -	$ -	$ -	$ -	$ -

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

McGladrey

Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida

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

Report on the Financial Statements

We have audited the financial statements of the each major fund and the aggregate remaining fund information of the Office of the Clerk of the Circuit Court, of Clay County, Florida (the "Office"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated January 29, 2015, which was prepared to comply with State of Florida reporting requirements.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated January 29, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In that regard, prior year audit finding 2013-1 has been corrected.

Official Title and Legal Authority

Sections 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Office's financial statements.

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Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

McGladrey

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 Clerk of the Circuit Court of Clay County, Florida (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated January 29, 2015. Our report was modified to reflect that these financial statements were prepared to comply with Section 218.39(2), Florida Statutes and Section 10.557(3), Rules of the Auditor General for Local Government Entity Audits.

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*.

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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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Clay County, Florida

Property Appraiser Audit Financial Report
September 30, 2014

McGladrey

Assurance ▪ Tax ▪ Consulting

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McGladrey

Independent Auditors' 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 major fund of the Office of the Property Appraiser of Clay County, Florida (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Office, as of September 30, 2014, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, *Florida Statutes*, and Section 10.557(3), *Rules of the Auditor General for Local Government Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of the Office, or Clay County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2015 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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Clay County, Florida, Property Appraiser

General Fund
Balance Sheet
September 30, 2014

Assets		
Cash	$	218,815
Total assets	$	218,815
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued liabilities	$	48,685
Due to other governments		3,261
Due to other county agencies		166,869
Total liabilities		218,815
Fund balances:		
Unassigned		-
Total liabilities and fund balances	$	218,815

See Notes to Financial Statements.

Clay County, Florida, Property Appraiser

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2014

Revenues	
Charges for services	$ 46,246
Refunds	52,818
Total revenues	99,064
Expenditures	
General government:	
Personal services	1,876,531
Operating expenditures	312,464
Capital outlay	20,288
Total expenditures	2,209,283
Excess (deficiency) of revenues over (under) expenditures	(2,110,219)
Other financing sources (uses):	
Transfer in – Appropriation from Board of County Commissioners	2,275,909
Transfer out – Reversion to Board of County Commissioners	(165,690)
Total other financing sources (uses)	2,110,219
Net change in fund balances	-
Fund balances – October 1, 2013	-
Fund balances – September 30, 2014	$ -

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office's financial statements do not purport to reflect the financial position or the results of operations of Clay County, Florida (the "County") taken as a whole. The financial activities of the Office, as a constitutional officer, are included in the Clay County, Florida County-wide financial statements.

B. Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida Section 10.556(4) (the "Rules") which requires that the Office present only fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures including management's discussion and analysis, these financial statements do not constitute a complete presentation of the Office as of September 30, 2014 and the changes in financial position for the year then ended in conformity with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Office 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 as a separate column.

The Office reports the following major governmental fund:

> *General Fund* – The General Fund is the general operating fund. It is used to account for and report all financial resources.

D. 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.

Spendable Fund Balance – Spendable fund balance includes the following categories:

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.

In accordance with 218.36, *Florida Statutes*, any excess held by a property appraiser (appropriations and revenues less expenditures) shall be divided into parts for each governmental unit which was billed and which paid for the operation of the property appraiser's office in the same proportion as the governmental units were originally billed. As a result, the Office records a reversion entry to return excess fees and will never have an unassigned fund balance at year end.

E. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. For this purpose, the Office considers revenue to be available if they are collected within 60 days of year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt, compensated absences, other claims and judgments, and other post-employment benefits, which are not recorded as expenditures because these amounts will not be paid from expendable available resources. They are recognized when payment is due.

F. Capital Assets and Long-Term Liabilities

Upon acquisition, capital assets used by the Office are recorded as capital outlay expenditures in the fund financial statements of the Office and accounted for by the County in accordance with the County's capitalization policy in the governmental activities of the basic financial statements of the County.

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

Employees of the Office may accumulate unused vacation and sick leave up to a specified amount. For governmental fund reporting a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation and sick leave is accrued as a liability when benefits are earned by employees, that is, the employees have rendered services that give rise to the vacation or sick leave liability and it is probable that the Office will compensate the employees in some manner, e.g. in cash or in paid time-off, now or upon termination or retirement.

G. Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

I. Transfers In

In accordance with Florida Statutes, the Board of County Commissioners of the County is required to fund certain operations of the Office. These County appropriations are reported as transfers in.

Note 1. Summary of Significant Accounting Policies (Continued)

J. Transfers Out

In accordance with Florida Statutes, all revenue and appropriations in excess of expenditures as of year-end are owed to the Board of County Commissioners of the County. These "excess fees" are reported as transfers out.

K. Pension and Other Post-Employment Benefits

The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. The Office applies GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for the measurement, recognition and display of pension expenditures as discussed in note 3.

The County applies GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, for the measurement, recognition, and display of other post-employment benefit expenditures, liabilities and assets. As part of the application of this standard, the Office incurs expenditures for pay-as-you-go contributions to other post-employment benefits as part of its payroll costs. No other obligations are allocated to the Office. All other obligations related to other post-employment benefits are funded through the County's general fund and recorded within the governmental activities section of the County's financial statements.

L. Risk Financing

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 recorded through the use of an internal service fund which is reported 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.

Note 2. Compensated Absences

A summary of changes in compensated absences not reported at the governmental fund level but reported in the government-wide financial statements of the County is as follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	$ 351,000	$ 100,000	$ 121,000	$ 330,000	$ 165,000

Note 3. Pension Plan

Plan Description. The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

Funding Policy. For the period October 1, 2013 through September 30, 2014 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; DROP Employees 12.28%; Elected Officials 43.24%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately $152,000, $103,000 and $84,000, respectively, equal to the required contributions for each year.

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 the disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the Office.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Clay County, Florida, Property Appraiser

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for services	$ 39,459	$ 44,777	$ 46,246	$ 1,469
Recovery of prior year expenditures	-	52,818	52,818	-
Total revenues	39,459	97,595	99,064	1,469
Expenditures				
General Government:				
Personal services	1,867,245	1,922,838	1,876,531	46,307
Operating expenditures	367,860	399,866	312,464	87,402
Capital outlay	-	20,800	20,288	512
Total expenditures	2,235,105	2,343,504	2,209,283	134,221
Excess (deficiency) of revenues over (under) expenditures	(2,195,646)	(2,245,909)	(2,110,219)	135,690
Other financing sources (uses):				
Transfer in – Appropriation from Board of County Commissioners	2,275,909	2,275,909	2,275,909	-
Transfer out – Reversion to Board of County Commissioners	(80,263)	(30,000)	(165,690)	(135,690)
Total other financing sources (uses)	2,195,646	2,245,909	2,110,219	(135,690)
Net change in fund balances	-	-	-	-
Fund balances – October 1, 2013	-	-	-	-
Fund balances – September 30, 2014	$ -	$ -	$ -	$ -

Notes to Schedule:

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

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

McGladrey

Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida

The Honorable Roger A. Suggs
Property Appraiser
Clay County, Florida

Report on the Financial Statements

We have audited the financial statements of the major fund of the Office of the Property Appraiser, of Clay County, Florida (the "Office"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated January, 29, 2015, which was prepared to comply with State of Florida reporting requirements.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated January 29, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report

Official Title and Legal Authority

Sections 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Office's financial statements.

Member of the RSM International network of independent accounting, tax and consulting firms.

Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

McGladrey

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 major fund, of the Office of the Property Appraiser of Clay County, Florida (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated January 29, 2015. Our report was modified to reflect that these financial statements were prepared to comply with Section 218.39(2), Florida Statutes and Section 10.557(3), Rules of the Auditor General for Local Government Entity Audits.

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*.

Member of the RSM International network of independent accounting, tax and consulting firms.

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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Clay County, Florida

Sheriff Audit Financial Report
September 30, 2014

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McGladrey

Independent Auditors' Report

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 Sheriff of Clay County, Florida (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office'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 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 each major fund and the aggregate remaining fund information of the Office, as of September 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of a Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, *Florida Statutes*, and Section 10.557(3), *Rules of the Auditor General for Local Government Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of the Office, or Clay County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The combining schedule of expenditures and the combining statement of fiduciary net positions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2015 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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Clay County, Florida, Sheriff

Governmental Funds
Balance Sheet
September 30, 2014

	General Fund	Other Governmental Fund	Non-major Governmental Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 3,573,283	$ 474,977	$ 197,660	$ 4,245,920
Accounts receivable	66,700	29,875	37,735	134,310
Due from other funds	5,994	-	21,527	27,521
Inventory	288,488	14,311	-	302,799
Total assets	$ 3,934,465	$ 519,163	$ 256,922	$ 4,710,550
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 2,675,843	$ 4,716	$ 6,614	$ 2,687,173
Due to other funds	21,527	-	5,994	27,521
Due to other county agencies	937,661	230,094	-	1,167,755
Due to other governmental units	10,946	-	-	10,946
Total liabilities	3,645,977	234,810	12,608	3,893,395
Fund balances:				
Nonspendable – inventory	288,488	14,311	-	302,799
Restricted:				
Special law enforcement	-	270,042	-	270,042
Benefit of inmates	-	-	244,314	244,314
Total fund balances	288,488	284,353	244,314	817,155
Total liabilities and fund balances	$ 3,934,465	$ 519,163	$ 256,922	$ 4,710,550

See Notes to Financial Statements.

Clay County, Florida, Sheriff

Governmental Funds
Statement of Revenues, Expenses and Changes in Fund Balances
For the Year Ended September 30, 2014

	General Fund	Other Governmental Fund	Non-major Governmental Fund	Total Governmental Funds
Revenues				
Fines and forfeitures	$ -	$ 58,382	$ -	$ 58,382
Miscellaneous	20,190	1,164	312,298	333,652
Total revenues	20,190	59,546	312,298	392,034
Expenditures				
Current:				
Public safety:				
Personal services	30,902,268	157,492	191,369	31,251,129
Operating expenditures	6,594,684	300,665	99,733	6,995,082
Capital outlay	1,310,499	212,202	18,010	1,540,711
Court costs:				
Personal services	1,001,231	-	-	1,001,231
Operating expenditures	216,835	-	-	216,835
Total expenditures	40,025,517	670,359	309,112	41,004,988
Excess (deficiency) of revenues over (under) expenditures	(40,005,327)	(610,813)	3,186	(40,612,954)
Other financing sources (uses):				
Transfer in – Appropriation from Board of County Commissioners	40,864,361	805,144	-	41,669,505
Transfer out – Reversion to Board of County Commissioners	(859,034)	(200,288)	-	(1,059,322)
Total other financing sources (uses)	40,005,327	604,856	-	40,610,183
Net change in fund balances	-	(5,957)	3,186	(2,771)
Fund balances – October 1, 2013	313,797	289,344	241,128	844,269
Change in inventory	(25,309)	966	-	(24,343)
Fund balances – September 30, 2014	$ 288,488	$ 284,353	$ 244,314	$ 817,155

See Notes to Financial Statements.

Clay County, Florida, Sheriff

Statement of Fiduciary Net Positions
For the Year Ended September 30, 2014

	Agency Funds
Assets	
Cash and cash equivalents	$ 237,037
Accounts receivable	41,142
Total assets	278,179
Liabilities	
Assets held for others	60,526
Due to other governments	217,653
Total liabilities	278,179
Net positions	$ -

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office's financial statements do not purport to reflect the financial position or the results of operations of Clay County, Florida (the "County") taken as a whole. The financial activities of the Office, as a constitutional officer, are included in the Clay County, Florida County-wide financial statements.

B. Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida Section 10.556(4) (the "Rules") which requires that the Office present only fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures including management's discussion and analysis, these financial statements do not constitute a complete presentation of the Office as of September 30, 2014 and the changes in financial position for the year then ended in conformity with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Office 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 as a separate column with nonmajor governmental funds combined into another separate column.

The Office reports two major governmental funds:

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

Other Governmental Fund – This special revenue fund is used to account for and report the proceeds of confiscated property that is legally restricted to specific activities.

Note 1. Summary of Significant Accounting Policies (Continued)

The Office also reports the following fiduciary funds:

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

D. 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.

Spendable Fund Balance – Spendable fund balance includes the following categories:

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.

In accordance with 30.50, *Florida Statutes*, all unexpended balances (appropriations and revenues less expenditures and nonspendable or restricted fund balance) at the end of each fiscal year shall be refunded to the board of county commissioners and deposited to the county fund or funds from which payment was originally made. As such, the Sheriff does not have an unassigned fund balance at year end.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Measurement Focus/Basis of Accounting

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 susceptible to accrual, that is, measurable and available to finance expenditures of the current period. For this purpose, the Office considers revenue to be available if they are collected within 60 days of year-end. Intergovernmental revenues when eligibility requirements are met are considered measurable and recognized as revenue, if available, all other revenues are considered measurable only when cash is received, thus reported when cash is received. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt, claims and judgments, compensated absences and other post-employment benefits, which are not recorded as expenditures because these amounts will not be paid from expendable available resources. They are recognized when payment is due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting. Because of the custodial nature of these activities, an operating statement is not presented.

F. Capital Assets and Long-Term Liabilities

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

Upon acquisition, capital assets used by the Office are recorded as capital outlay expenditures in the fund financial statements of the Office and accounted for by the Clay County Board of County Commissioners at cost in the governmental activities of the basic financial statements of the County. The Office defines capital assets as assets with an initial individual cost of $1,000 or more and an estimated useful life in excess of one year. Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair value on the date donated. Depreciation has been provided and recorded in the County's government-wide financial statements using the straight-line method over the following estimated useful lives:

	Years
Furniture and equipment	5 – 10
Vehicles	4

Employees of the Office may accumulate unused vacation and sick leave up to a specified amount. For governmental fund reporting a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's government-wide financial statements, vacation and sick leave is accrued as a liability when benefits are earned by employees, that is, the employees have rendered services that give rise to the vacation or sick leave liability and it is probable that the Office will compensate the employees in some manner, e.g. in cash or in paid time-off, now or upon termination or retirement.

Note 1. Summary of Significant Accounting Policies (Continued)

G. Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

H. Inventory

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

Inventories consist of:

Auto parts and supplies	$	43,656
Radio parts		70,438
Armory weapons and ammunition		188,705
	$	302,799

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

J. Transfers In

In accordance with Florida Statutes, the Board of County Commissioners of the County is required to fund most operations of the Office. These County appropriations are reported as transfers in.

K. Transfers Out

In accordance with Florida Statutes, revenue and appropriations in excess of expenditures as of year-end, if any, are owed to the Board of County Commissioners of the County. Excess county appropriations that are returned are reported as reversions of County funding.

L. Pension and Other Post-Employment Benefits

The Office contributes to the Florida Retirement System (the “System”), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. The Office applies GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for the measurement, recognition and display of pension expenditures as discussed in Note 5.

Note 1. Summary of Significant Accounting Policies (Continued)

The County applies GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, for the measurement, recognition, and display of other post-employment benefit expenditures, liabilities and assets. As part of the application of this standard, the Office incurs expenditures for pay-as-you-go contributions to other post-employment benefits as part of its payroll costs. No other obligations are allocated to the Office. All other obligations related to other post-employment benefits are funded through the County's general fund and recorded within the governmental activities section of the County's financial statements.

M. Risk Financing

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 fund 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.

Note 2. Changes in Capital Assets

A summary of changes in capital assets as reported in the County's government-wide financial statements follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Tangible personal property	$ 21,521,265	$ 1,960,441	$ 2,157,005	$ 21,324,701
Less accumulated depreciation	17,619,727	1,922,205	2,090,567	17,451,365
Total capital assets, net	$ 3,901,538	$ 38,236	$ 66,438	$ 3,873,336

Depreciation expense of $1,922,205 applies to the public safety function reported in the County's governmental activities.

Note 3. Compensated Absences

A summary of changes in compensated absences 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, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	$ 6,450,410	$ 5,238,793	$ 4,967,752	$ 6,721,451	$ 5,256,000

Note 4. Interfund Balances

Interfund balances result from the normal course of operations and are expected to be repaid within one year.

	Due From	Due To
General Fund	$ 5,994	$ 21,527
Non-major Governmental Fund	21,527	5,994
Totals	$ 27,521	$ 27,521

Note 5. Pension Plan

Plan Description. The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (877) 377-1737.

Funding Policy. For the period October 1, 2013 through September 30, 2014 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately $4,073,000, $3,251,000 and $2,825,000, respectively, equal to the required contributions for each year.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Clay County, Florida, Sheriff

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund (Unaudited)
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Miscellaneous	$ -	$ -	$ 20,190	$ 20,190
Expenditures				
Public Safety:				
Personal services	31,437,190	31,357,190	30,902,268	454,922
Operating expenditures	6,768,731	6,942,260	6,594,684	347,576
Capital outlay	1,300,000	1,317,026	1,310,499	6,527
Court Costs:				
Personal services	1,070,725	1,040,725	1,001,231	39,494
Operating expenditures	218,058	218,058	216,835	1,223
Total expenditures	40,794,704	40,875,259	40,025,517	849,742
Excess (deficiency) of revenues over (under) expenditures	(40,794,704)	(40,875,259)	(40,005,327)	869,932
Other financing sources (uses):				
Transfer in – Appropriation from Board of County Commissioners	40,794,704	40,875,259	40,864,361	(10,898)
Transfer out – Reversion to Board of County Commissioners	-	-	(859,034)	(859,034)
Total other financing sources (uses)	40,794,704	40,875,259	40,005,327	(869,932)
Net change in fund balances	-	-	-	-
Fund balances – October 1, 2013	-	-	313,797	313,797
Change in inventory	-	-	(25,309)	(25,309)
Fund balances – September 30, 2014	$ -	$ -	$ 288,488	$ 288,488

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. A budget for the Other Governmental Fund is not legally adopted. Accordingly, a budget and actual schedule is not presented for this fund.

SUPPLEMENTARY INFORMATION

Clay County, Florida, Sheriff

Combining Schedule of Expenditures – General Fund
For the Year Ended September 30, 2014

	Court Costs	Law Enforcement	Corrections/ Detention	Total
Personal Services:				
Executive salaries	$ -	$ 138,138	$ -	$ 138,138
Regular salaries and wages	782,235	18,011,692	5,991,931	24,785,858
Other salaries and wages	-	125,890	48,725	174,615
Overtime	476	121,559	80,954	202,989
Special pay	8,687	390,643	105,785	505,115
FICA taxes	59,784	1,379,986	452,168	1,891,938
Retirement contributions	137,420	2,891,028	1,011,476	4,039,924
Life and health benefits	9,906	109,926	34,400	154,232
Unemployment compensation	2,723	7,967	-	10,690
Total personal services	1,001,231	23,176,829	7,725,439	31,903,499
Operating Expenditures:				
Professional services – inmate medical	-	-	923,947	923,947
Professional services – other	3,098	33,422	11,369	47,889
Contractual services – inmate food	-	-	565,919	565,919
Contractual services – licenses and support	5,981	647,957	48,311	702,249
Contractual services – other	177,476	90,464	50,800	318,740
Investigations	-	18,143	-	18,143
Travel and per diem	155	62,945	16,073	79,173
Communication services	3,530	446,156	29,945	479,631
Freight and postage	58	24,449	1,758	26,265
Utility services	-	1,608	-	1,608
Rentals and leases	-	93,415	16,872	110,287
Insurance	13,018	556,787	157,590	727,395
Repair and maintenance services	-	451,087	15,486	466,573
Printing and binding	-	9,385	-	9,385
Promotional activities – advertising	29	43,198	132	43,359
Other current charges and obligations	-	18,111	7	18,118
Office supplies and materials	165	168,996	6,294	175,455
Operating supplies and materials	9,060	1,436,877	447,809	1,893,746
Dues, memberships, subscriptions and books	50	17,125	562	17,737
Training and education	4,215	149,197	32,488	185,900
Total operating expenditures	216,835	4,269,322	2,325,362	6,811,519
Capital Outlay:				
Data processing equipment	-	179,014	-	179,014
Machinery and equipment	-	108,692	6,678	115,370
Vehicles	-	993,082	23,033	1,016,115
Total capital outlay	-	1,280,788	29,711	1,310,499
Total expenditures	$ 1,218,066	$ 28,726,939	$ 10,080,512	$ 40,025,517

Clay County, Florida, Sheriff

Combining Statement of Fiduciary Net Positions
Agency Funds
For the Year Ended September 30, 2014

	Depositors Fund	Levy Fund	Seized Assets Fund	Inmate Fund	Total Agency Funds
Assets					
Cash and cash equivalents	$ 351	$ 1,860	$ 215,793	$ 19,033	$ 237,037
Accounts receivable	26,441	-	-	14,701	41,142
Total assets	26,792	1,860	215,793	33,734	278,179
Liabilities					
Assets held for others	26,792	1,860	215,793	33,734	278,179
Total liabilities	26,792	1,860	215,793	33,734	278,179
Net positions	$ -	$ -	$ -	$ -	$ -

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

McGladrey

Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida

The Honorable Rick Beseler
Sheriff
Clay County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Office of the Sheriff, of Clay County, Florida (the "Office"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated January 29, 2015, which was prepared to comply with State of Florida reporting requirements.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated January 29, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report

Official Title and Legal Authority

Sections 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Office's financial statements.

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Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

McGladrey

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With Government Auditing Standards

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 Sheriff of Clay County, Florida (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated January 29, 2015. Our report was modified to reflect that these financial statements were prepared to comply with Section 218.39(2), Florida Statutes and Section 10.557(3), Rules of the Auditor General for Local Government Entity Audits.

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.

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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 result 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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Clay County, Florida

Supervisor of Elections Audit Financial Report
September 30, 2014

McGladrey

Assurance ▪ Tax ▪ Consulting

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McGladrey

Independent Auditors' 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 major fund of the Office of the Supervisor of Elections of Clay County, Florida (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Office as of September 30, 2014, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of a Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.556(4), Rules of the Auditor General for Local Government Entity Audits. These financial statements are not intended to be a complete presentation of the financial position of the Office, or Clay County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2015 on our consideration of the Office's internal control over financial reporting and 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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Clay County, Florida, Supervisor of Elections

Governmental Fund
Balance Sheet
September 30, 2014

		General Fund
Assets		
Cash	$	438,435
Total assets	$	438,435
Liabilities and Fund Balance		
Liabilities:		
Accounts payable and accrued liabilities	$	49,632
Due to other county agencies		246,164
Total liabilities		295,796
Fund balance:		
Restricted – election grants		142,639
Total liabilities and fund balance	$	438,435

See Notes to Financial Statements.

Clay County, Florida, Supervisor of Elections

Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2014

	General Fund
Revenues	
Intergovernmental revenue	$ 22,234
Miscellaneous revenue	15,892
Total revenues	38,126
Expenditures	
General government:	
Personal services	760,805
Operating expenditures	448,241
Capital outlay	8,767
Total expenditures	1,217,813
Excess (deficiency) of revenues over (under) expenditures	(1,179,687)
Other financing sources (uses):	
Transfer in – Appropriation from Board of County Commissioners	1,451,366
Transfer out – Reversion to Board of County Commissioners	(246,111)
Total other financing sources (uses)	1,205,255
Net change in fund balance	25,568
Fund balance – October 1, 2013	117,071
Fund balance – September 30, 2014	$ 142,639

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office's financial statements do not purport to reflect the financial position or the results of operations of Clay County, Florida (the "County") taken as a whole. The financial activities of the Office, as a constitutional officer, are included in the Clay County, Florida County-wide financial statements.

B. Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida Section 10.556(4) (the "Rules") which requires that the Office present only fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures including management's discussion and analysis, these financial statements do not constitute a complete presentation of the Office as of September 30, 2014 and the changes in financial position for the year then ended in conformity with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Office 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. In the accompanying financial statements, the major fund is reported, as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund. It is used to account for and report all revenues and expenditures applicable to the general operations of the Office.

D. 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.

Spendable Fund Balance – Spendable fund balance includes the following categories:

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.

In accordance with 218.36, *Florida Statutes*, the Office shall pay into the County general fund all money in excess of the sum to which he or she is entitled to fund their operations based on funding provided by the County. As a result, the Office records a reversion entry to return excess fees over expenditures and will never have an unassigned fund balance at year end. This does not apply to restricted resources received through grants from sources other than the County general fund.

E. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. For this purpose, the Office considers revenue to be available if they are collected within 60 days of year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt, compensated absences and other post-employment benefits, which are not recorded as expenditures because these amounts will not be paid from expendable available resources. They are recognized when payment is due.

F. Capital Assets and Long-Term Liabilities

Upon acquisition, capital assets used by the Office are recorded as capital outlay expenditures in the fund financial statements of the Office and accounted for by the County in accordance with the County's capitalization policy in the governmental activities of the basic financial statements of the County.

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

Employees of the Office may accumulate unused vacation and sick leave up to a specified amount. For governmental fund reporting a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation and sick leave is accrued as a liability when benefits are earned by employees, that is, the employees have rendered services that give rise to the vacation or sick leave liability and it is probable that the Office will compensate the employees in some manner, e.g. in cash or in paid time-off, now or upon termination or retirement.

G. Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security for Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

I. Transfers In

In accordance with Florida Statutes, the Board of County Commissioners of the County is required to fund certain operations of the Office. These County appropriations are reported as transfers in.

Note 1. Summary of Significant Accounting Policies (Continued)

J. Transfers Out

In accordance with Florida Statutes, appropriations in excess of expenditures as of year-end are owed to the Board of County Commissioners of the County. These "excess fees" are reported as transfers out. Only revenues which are restricted by an external party may be retained by the Office.

K. Pension and Other Post-Employment Benefits

The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. The Office applies GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for the measurement, recognition and display of pension expenditures as discussed in a subsequent note.

The County applies GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, for the measurement, recognition, and display of other post-employment benefit expenditures, liabilities and assets. As part of the application of this standard, the Office incurs expenditures for pay-as-you-go contributions to other post-employment benefits as part of its payroll costs. No other obligations are allocated to the Office. All other obligations related to other post-employment benefits are funded through the County's general fund and recorded within the governmental activities section of the County's financial statements.

L. Risk Financing

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 recorded through the use of an internal service fund which is reported 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.

Note 2. Compensated Absences

A summary of changes in compensated absences 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, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	$ 37,000	$ 24,000	$ 18,000	$ 43,000	$ 15,000

Note 3. Pension Plan

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 3231 5-9000, or by calling (850) 488-6491.

Funding Policy. For the period October 1, 2013 through September 30, 2014 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; DROP Employees 12.28%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013, and 2012 were $81,240, $46,556 and $35,040, respectively, equal to the required contributions for each year.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Clay County, Florida, Supervisor of Elections

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund (Unaudited)
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental revenue	$ -	$ -	$ 22,234	$ 22,234
Miscellaneous revenue	-	-	15,892	15,892
Total revenues	-	-	38,126	38,126
Expenditures				
General government:				
Personal services	878,414	878,414	760,805	117,609
Operating expenditures	472,619	475,952	448,241	27,711
Capital outlay	97,000	97,000	8,767	88,233
Total expenditures	1,448,033	1,451,366	1,217,813	233,553
Excess (deficiency) of revenues over (under) expenditures	(1,448,033)	(1,451,366)	(1,179,687)	271,679
Other financing sources (uses):				
Transfer in – Appropriation from Board of County Commissioners	1,448,033	1,451,366	1,451,366	-
Transfer out – Reversion to Board of County Commissioners	-	-	(246,111)	(246,111)
Total other financing sources (uses)	1,448,033	1,451,366	1,205,255	(246,111)
Net change in fund balance	-	-	25,568	25,568
Fund balance – October 1, 2013	-	-	117,071	117,071
Fund balance – September 30, 2014	$ -	$ -	$ 142,639	$ 142,639

Notes to Budgetary Comparison Schedule

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

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

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Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida

The Honorable Chris H. Chambless
Supervisor of Elections
Clay County, Florida

Report on the Financial Statements

We have audited the financial statements of the major fund of the Office of the Supervisor of Elections, of Clay County, Florida (the "Office"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated January 29, 2015, which was prepared to comply with State of Florida reporting requirements.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated January 29, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report

Official Title and Legal Authority

Sections 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Office's financial statements.

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Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

McGladrey

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 major fund of the Office of the Supervisor of Elections of Clay County, Florida (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated January 29, 2015. Our report was modified to reflect that these financial statements were prepared to comply with Section 218.39(2), Florida Statutes and Section 10.556(4), Rules of the Auditor General for Local Government Entity Audits.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying *schedule of findings and responses*, we identified a deficiency in internal control that we consider to be a material weakness.

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 Office's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying *schedule of findings and responses* as 2014-1 to be a material weakness.

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.

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Compliance and Other Matters

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

Office's Response to Finding

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

Purpose of this Report

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

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Schedule of Findings and Responses

2014-1 Accruals

Criteria: Under the modified accrual basis of accounting, expenditures are recognized when the liability to pay for a good or service is incurred.

Condition: During our audit testing, we observed that the Office paid an invoice for printed materials subsequent to year end. Upon examination, it was determined that these materials had been received by the Office prior to the year end. Under the modified accrual basis of accounting, a liability to pay for these materials was incurred at the time they were received by the Office. However, a payable was not recorded.

Context: Because of the nature of the Office's operations, payables at year end have historically not been significant. However, in the current year the omission of the above transaction was considered to be material.

Cause: Due to the nature of the Office's operations, payables have historically not been significant at year end. For this reason, the Office does not have a process in place to capture accounts payable transactions.

Effect: Without a process to capture significant expense accruals at year end, potentially material transactions could occur and not be recorded in the Office's financial statements.

Recommendation: We recommend that the Office develop a process to identify and record significant accounts payable transactions at year end.

Views of responsible officials and planned corrective actions: We are currently in the process of assessing our year end closing procedures and will prospectively implement a process for capturing significant expense accruals at year end.

Clay County, Florida

Tax Collector Audit Financial Report
September 30, 2014

McGladrey

Assurance ▪ Tax ▪ Consulting

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McGladrey

Independent Auditors' 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 Tax Collector of Clay County, Florida (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office'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 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, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1 to the financial statements, the accompanying financial statements were prepared for the purpose of complying with Section 218.39, *Florida Statutes*, and Section 10.557(3), *Rules of the Auditor General for Local Government Entity Audits*. These financial statements are not intended to be a complete presentation of the financial position of the Office, or Clay County, Florida as of September 30, 2014, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information 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 Office's basic financial statements. The combining statement of fiduciary net positions is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2015 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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

Clay County, Florida, Tax Collector

Governmental Fund
Balance Sheet
September 30, 2014

Assets		**General Fund**
Cash	$	1,446,506
Total assets	$	1,446,506
Liabilities and Fund Balances		
Liabilities:		
Due to other county agencies	$	1,432,341
Due to other governments		14,165
Total liabilities		1,446,506
Fund balance		-
Total liabilities and fund balance	$	1,446,506

See Notes to Financial Statements.

Clay County, Florida, Tax Collector

Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended September 30, 2014

	General Fund
Revenues:	
Charges for services	$ 5,099,742
Miscellaneous revenues	46,106
Total revenues	5,145,848
Expenditures	
General government services:	
Personal services	2,768,677
Operating expenditures	885,203
Capital outlay	59,627
Total expenditures	3,713,507
Excess of revenues over expenditures	1,432,341
Other financing sources (uses):	
Transfer out – Reversion to Board of County Commissioners	(1,432,341)
Total other financing sources (uses)	(1,432,341)
Net change in fund balance	-
Fund balance – October 1, 2013	-
Fund balance – September 30, 2014	$ -

See Notes to Financial Statements.

Clay County, Florida, Tax Collector

Statement of Fiduciary Net Positions
For the Year Ended September 30, 2014

	Agency Funds
Assets:	
Cash	$ 2,521,140
Receivables	5,951
Total assets	2,527,091
Liabilities:	
Assets held for others	2,527,091
Total liabilities	2,527,091
Net positions	$ -

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office's financial statements do not purport to reflect the financial position or the results of operations of Clay County, Florida (the "County") taken as a whole. The financial activities of the Office, as a constitutional officer, are included in the Clay County, Florida County-wide financial statements.

B. Basis of Presentation

The Office's financial statements are special purpose financial statements that have been prepared for the purpose of complying with the Rules of the Auditor General of the State of Florida Section 10.556(4) (the "Rules") which requires that the Office present only fund financial statements. Accordingly, due to the omission of government-wide financial statements and related disclosures including management's discussion and analysis, these financial statements do not constitute a complete presentation of the Office as of September 30, 2014 and the changes in financial position for the year then ended in conformity with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, but otherwise constitute financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

C. Fund Accounting

The accounting records of the Office 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 as 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 general 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 fund:

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

Note 1. Summary of Significant Accounting Policies (Continued)

D. 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.

Spendable Fund Balance – Spendable fund balance includes the following categories:

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.

In accordance with 218.36, *Florida Statutes*, whenever a tax collector has money in excess (revenues less expenses), he or she shall distribute the excess to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of his or her office. As a result, the Office records a reversion entry to return excess fees and will never have an unassigned fund balance at year end.

E. 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 susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. For this purpose, the Office considers revenue to be available if they are collected within 60 days of year-end. Primary revenue sources susceptible to accrual include charges for services for collection of taxes, licenses and fees. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on long-term debt, compensated absences, claims and judgments, and other post-employment benefits, which are not recorded as expenditures because these amounts will not be paid from expendable available resources. They are recognized when payment is due.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting. Because of the custodial nature of these activities, an operating statement is not presented.

F. Capital Assets and Long-Term Liabilities

Upon acquisition, capital assets used by the Office are recorded as capital outlay expenditures in the fund financial statements of the Office and accounted for by the County in accordance with the County's capitalization policy in the governmental activities of the basic financial statements of the County.

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

Employees of the Office may accumulate unused vacation and sick leave up to a specified amount. For governmental fund reporting a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation and sick leave is accrued as a liability when benefits are earned by employees, that is, the employees have rendered services that give rise to the vacation or sick leave liability and it is probable that the Office will compensate the employees in some manner, e.g. in cash or in paid time-off, now or upon termination or retirement.

G. Cash

All cash is placed in a bank that qualifies as a public depository pursuant to the provisions of the Florida Security For Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

Note 1. Summary of Significant Accounting Policies (Continued)

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make various estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

I. Transfers Out

In accordance with Florida Statutes, all revenue in excess of expenditures as of year-end are owed to the Board of County Commissioners of the County. These “excess fees” are reported as transfers out.

J. Pension and Other Post-Employment Benefits

The Office contributes to the Florida Retirement System (the “System”), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. The Office applies GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, for the measurement, recognition and display of pension expenditures as discussed in note 3.

The County applies GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, for the measurement, recognition, and display of other post-employment benefit expenditures, liabilities and assets. As part of the application of this standard, the Office incurs expenditures for pay-as-you-go contributions to other post-employment benefits as part of its payroll costs. No other obligations are allocated to the Office. All other obligations related to other post-employment benefits are funded through the County’s general fund and recorded within the governmental activities section of the County’s financial statements.

K. Risk Financing

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 recorded through the use of an internal service fund which is reported 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.

Note 2. Compensated Absences

A summary of changes in compensated absences not reported at the governmental fund level but reported in the government-wide financial statements of the County is as follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	$ 406,000	$ 127,000	$ 171,000	$ 362,000	$ 114,000

Note 3. Pension Plan

Plan Description. The Office contributes to the Florida Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315, or by calling (850) 488-6491.

Funding Policy. For the period October 1, 2013 through September 30, 2014 the employee contribution rate was 3.00%. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; DROP 12.28%; Elected Officials 43.24%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately $193,000, $137,000 and $104,000, respectively, equal to the required contributions for each year.

Note 4. 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,	Amount
2015	$ 87,802
2016	65,937
2017	19,005
2018	19,480
2019	13,202
Total	$ 205,426

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, 2014, the Office incurred approximately $107,000 for these premises.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Clay County, Florida, Tax Collector

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund (Unaudited)
For the Year Ended September 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 3,781,414	$ 3,837,392	$ 5,099,742	$ 1,262,350
Miscellaneous revenues	-	-	46,106	46,106
Total revenues	3,781,414	3,837,392	5,145,848	1,308,456
Expenditures				
General government services:				
Personal services	2,804,576	2,860,554	2,768,677	91,877
Operating expenditures	841,858	917,058	885,203	31,855
Capital outlay	134,980	59,780	59,627	153
Total expenditures	3,781,414	3,837,392	3,713,507	123,885
Excess of revenues over expenditures	-	-	1,432,341	1,432,341
Other financing sources (uses):				
Transfer out – Reversion to Board of County Commissioners	-	-	(1,432,341)	(1,432,341)
Net change in fund balances	-	-	-	-
Fund balances – October 1, 2013	-	-	-	-
Fund balances – September 30, 2014	$ -	$ -	$ -	$ -

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.

SUPPLEMENTAL INFORMATION

Fiduciary Funds

General Property Taxes – To account for the collection and disbursement of real and tangible property taxes.

Vehicle Tags Fund – 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.

Sports Licenses – To account for the collection and disbursement of collections for hunting and fishing licenses and marine title fees 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.

Clay County, Florida, Tax Collector

Combining Statement of Fiduciary Net Positions
Agency Funds
For the Year Ended September 30, 2014

	General Property Taxes	Vehicle Tags	Sports Licenses	Drivers Licenses	Total
Assets:					
Cash	$ 2,479,282	$ 41,708	$ 150	$ -	$ 2,521,140
Receivables	-	5,951	-	-	5,951
Total assets	2,479,282	47,659	150	-	2,527,091
Liabilities:					
Due to other governments or agencies	2,479,282	47,659	150	-	2,527,091
Total liabilities	2,479,282	47,659	150	-	2,527,091
Net positions	$ -	$ -	$ -	$ -	$ -

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

McGladrey

Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

Report on the Financial Statements

We have audited the financial statements of the major fund and the aggregate remaining fund information of the Office of the Tax Collector, of Clay County, Florida (the "Office"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated January, 29, 2015, which was prepared to comply with State of Florida reporting requirements.

Auditor's Responsibility

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

Other Reports

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated January 29, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report

Official Title and Legal Authority

Sections 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Office's financial statements.

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Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Jacksonville, Florida
January 29, 2015

McGladrey

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 Tax Collector of Clay County, Florida (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated January 29, 2015. Our report was modified to reflect that these financial statements were prepared to comply with Section 218.39(2), Florida Statutes and Section 10.557(3), Rules of the Auditor General for Local Government Entity Audits.

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.

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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.

McGladrey LLP

Jacksonville, Florida
January 29, 2015