Clay County, Florida

County Audit Report
September 30, 2013

McGladrey

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Clay County, Florida
County Audit Report
September 30, 2013
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Clay County, Florida

County-Wide Financial Report
September 30, 2013

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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, 2013, 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, 2013, 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 14, 2014 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 14, 2014

Management's Discussion and Analysis

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, 2013. 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 2013 by $417,566,812. $394,772,452 is from Governmental activities while $22,794,360 is from Business-type activities. Of this amount $23,941,455 may be used to meet the ongoing obligations to citizens and creditors.
- The County's revenues exceeded its expenses by $4,699,540 for the fiscal year.
- Outstanding long-term obligations as of September 30, 2013 were $75,703,192. Of this amount $13,963,029 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 universal 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 71-79.

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 $417,566,812 at the close of the fiscal year ended September 30, 2013.

At the end of the fiscal year 2013, 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	
	2013	2012	2013	2012	2013	2012
Current & Other Assets	$116,855,925	$129,844,446	$23,296,143	$21,909,730	$140,152,068	$151,754,176
Capital Assets	361,496,135	355,668,610	4,631,052	4,841,578	366,127,187	360,510,188
Total Assets	478,352,060	485,513,056	27,927,195	26,751,308	506,279,255	512,264,364
Noncurrent Liabilities Outstanding	72,227,453	78,557,420	3,475,739	3,654,121	75,703,192	82,211,541
Other Liabilities	11,352,155	15,579,789	1,657,096	1,605,762	13,009,251	17,185,551
Total Liabilities	83,579,608	94,137,209	5,132,835	5,259,883	88,712,443	99,397,092
Net Position:						
Invested in Capital Assets, net of related debt	347,823,560	350,786,900	4,631,052	4,841,578	352,454,612	355,628,478
Restricted	41,170,745	32,928,276	-	-	41,170,745	32,928,276
Unrestricted	5,778,147	7,660,671	18,163,308	16,649, 847	23,941,455	24,310,518
Total Net Position	$394,772,452	$391,375,847	$22,794,360	$21,491,425	$417,566,812	$412,867,272

The largest portion of the County's net position (84.4%) 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

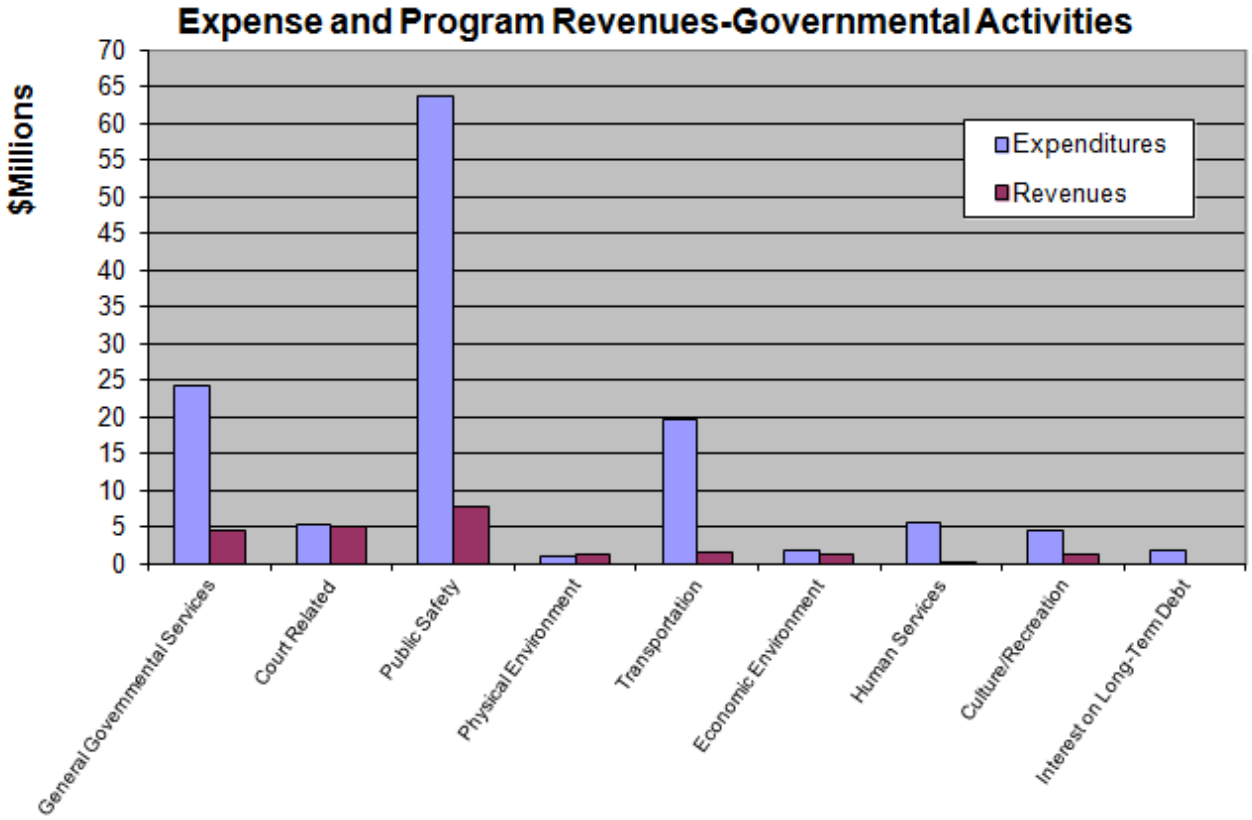
resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position, 9.9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position ($23,941,455 or 5.7%) may be used to meet the government's ongoing obligation to citizens and creditors.

Governmental Activities

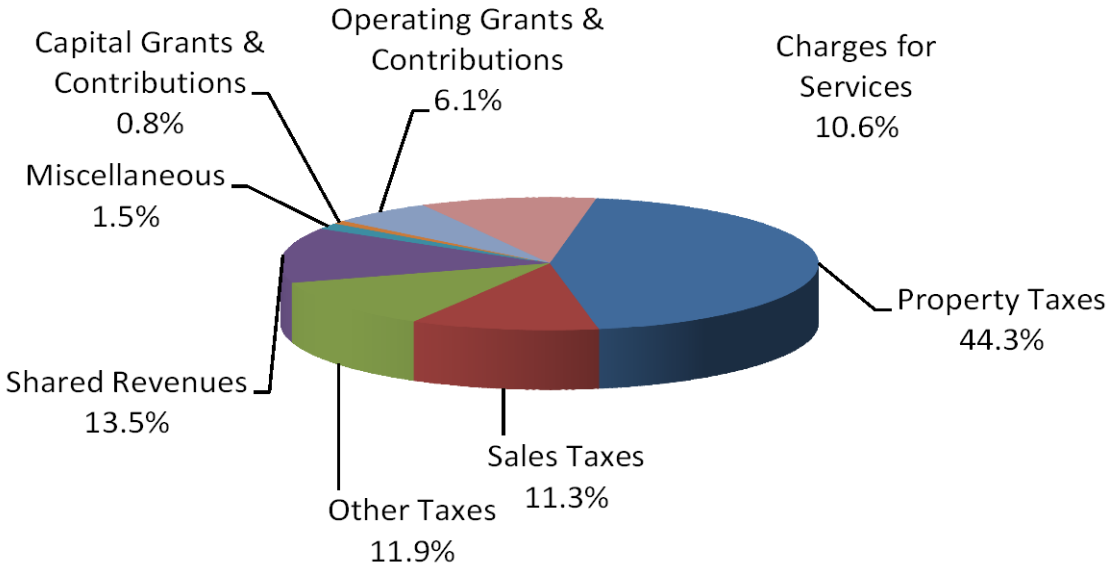
Governmental activities increased the County's net position by $3,396,605 while Business-type activities increased the County's net position by $1,302,935.

County of Clay, Florida
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	$13,887,997	$14,279,631	$18,646,626	$18,190,962	$32,534,623	$32,470,593
Operational Grants and Contributions	8,040,330	7,159,939	-	-	8,040,330	7,159,939
Capital Grants and Contributions	1,010,858	1,342,582	-	-	1,010,858	1,342,582
General Revenues:						
Property Taxes	58,089,208	59,556,002	-	-	58,089,208	59,556,002
Other Taxes	30,478,444	29,666,896	858,429	977,553	31,336,873	30,644,449
Other Revenues	19,628,070	20,884,138	41,541	84,506	19,669,611	20,968,644
Total Revenues	131,134,907	132,889,188	19,546,596	19,253,021	150,681,503	152,142,209
Expenses:						
General Government	24,331,635	26,245,250	-	-	24,331,635	26,245,250
Court Related	5,337,388	4,786,350	-	-	5,337,388	4,786,350
Public Safety	63,704,878	62,133,892	-	-	63,704,878	62,133,892
Physical Environment	1,130,922	969,064	-	-	1,130,922	969,064
Transportation	19,537,942	21,207,482	-	-	19,537,942	21,207,482
Economic Environment	1,881,613	1,972,981	-	-	1,881,613	1,972,981
Human Services	5,513,294	4,411,074	-	-	5,513,294	4,411,074
Culture/Recreation	4,462,466	4,727,938	-	-	4,462,466	4,727,938
Interest on Long-Term Debt	1,702,405	2,052,382	-	-	1,702,405	2,052,382
Solid Waste Disposal	-	-	9,297,162	9,163,320	9,297,162	9,163,320
Universal Collection	-	-	9,082,258	8,864,202	9,082,258	8,864,202
Total Expenses	127,602,543	128,506,413	18,379,420	18,027,522	145,981,963	146,533,935
Change in Net Position before Transfers:	3,532,364	4,382,775	1,167,176	1,225,499	4,699,540	5,608,274
Transfers	(135,759)	(147,727)	135,759	147,727	-	-
Change in Net Position	3,396,605	4,235,048	1,302,935	1,373,226	4,699,540	5,608,274
Net Position-Beginning of Year	391,375,847	387,140,799	21,491,425	20,118,199	412,867,272	407,258,998
Net Position-End of Year	$394,772,452	$391,375,847	$22,794,360	$21,491,425	$417,566,812	$412,867,272



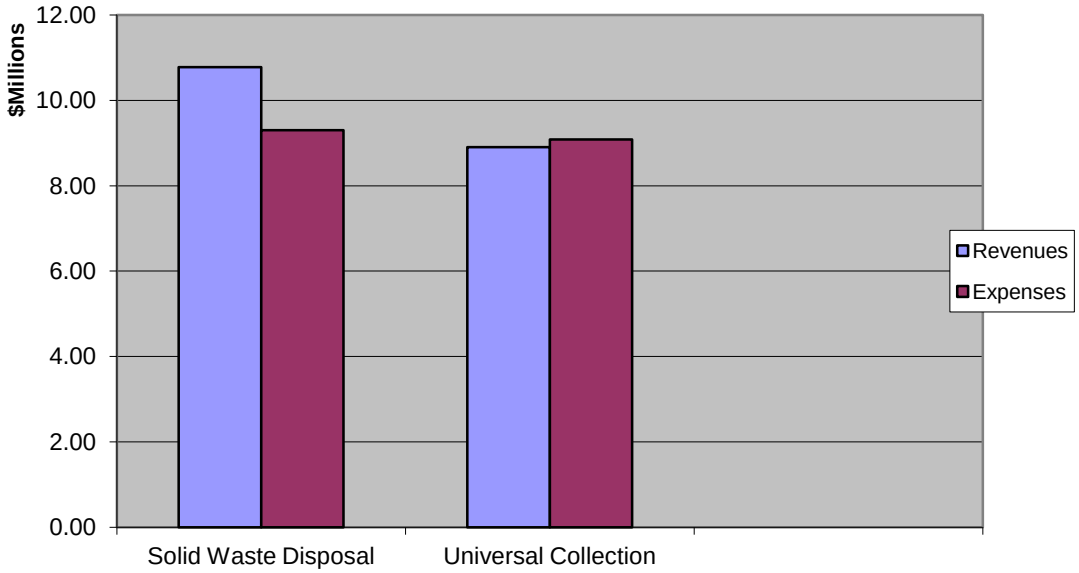
Revenues by Source-Governmental Activities



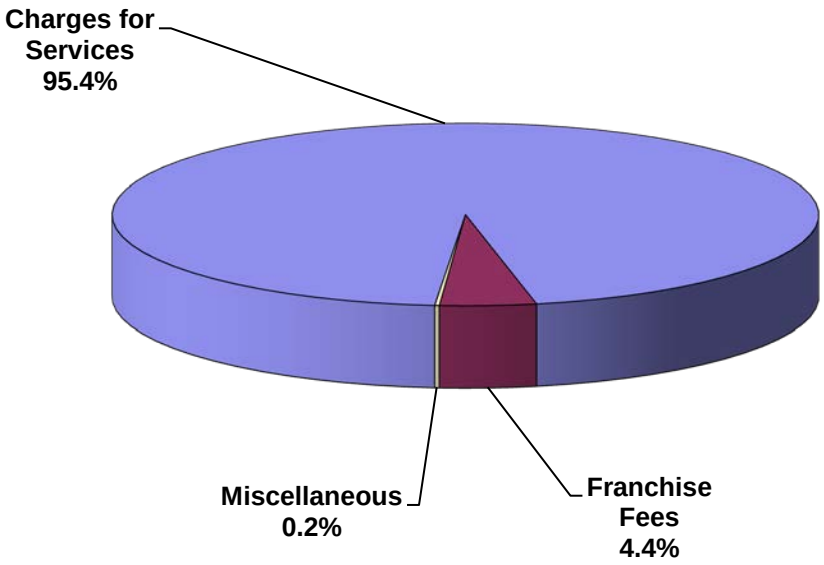
Business-type activities

Business-type activities increased the County's net position by $1,302,935, accounting for 28% 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 $1,478,057. The other enterprise fund, the Universal Collection fund, reported a net loss of $175,581.

Expenses and Revenues-Business-Type Activities



Revenues by Source-Business-Type Activities



Financial Analysis of the County's Funds

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

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

As of the end of the fiscal year 2013, the County's General fund reported an ending fund balance of $28,757,373. This is an increase of $412,192 from the prior year. Unassigned fund balance is $17,111,455 and is generally available for spending at the County's discretion. The remainder of fund balance is either, restricted for specific purposes, $117,071; assigned with the intent to be used for a specific purpose, $11,080,533; or considered non-spendable for inventory and prepaid items, $448,314.

The General, Sheriff MSTU, and Capital Improvement Projects funds are reported as major funds. For the fiscal year, the General fund operated with a surplus of $426,978; the Sheriff MSTU operated with a deficit of $208,240; and the Capital Projects fund operated with a deficit of $10,648,318. The deficit in the Capital Projects fund was due to project expenditures that were funded from the proceeds of bonds issued in 2009.

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 19% of the total General fund expenditures. The fund balance of the County's General fund increased $412,192 during the fiscal year. This was a combination of increased revenues along with continuing results of prior years cost savings measures.

The Sheriff MSTU fund has a total fund balance of $1,343,137, and operated with a $208,240 deficit for the year. Budgeted revenues exceeding actual revenues by $448,632 was the primary reason for the deficit.

The Capital Improvement Projects fund has a total fund balance of $41,237,529. The net decrease in fund balance during the fiscal year was over $10.6 million and, as mentioned above, resources previously set aside are being expended for capital projects.

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 Universal 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. This fund is also reported as a major fund.

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

	Unrestricted Net Position	
FUND	2013	2012
Solid Waste Disposal	$16,190,962	$14,502,379
Universal Collection	1,932,393	2,107,974
Internal Service	2,391,599	2,370,689
Total	$20,514,954	$18,981,042

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:

- Increase in General Government Services of $155,129.
- Increase in Public Safety of $991,265.
- Increase in Human Services of $11,802.
- Decrease in Culture and Recreation of $308,528.
- Increase in Court Costs of $43,606.

Significant differences between the final amended General fund budget for the fiscal year 2013 and the actual expenditures are briefly summarized as follows:

- The Sheriff's Office did not spend their entire appropriation, resulting in a savings of $611,283.
- In Rescue Services, a positive variance of $813,108 was noted, primarily due to the postponement of improvements to a fire station and unspent grant monies.
- A savings of over $200,000 in the Fleet Management Division for fuels and lubricants and various unfilled positions resulted in a positive variance of $462,155.
- Improvements to the Animal Care and Control facility were delayed along with unspent grant funds resulted in a positive variance of over $300,000.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounted to $366,127,187 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total increase in the County's investment in capital assets (net of depreciation and disposals) for the year was 1.6% (a net increase of $5.8 million for governmental activities and a $210,526 net decrease for business-type activities).

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

- Construction and improvements to County roads, $15.3 million. This includes right of way acquisition.
- Bridge reconstruction of $625,666.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$100,179,519	$98,994,890	$986,525	$986,525	$101,166,044	$99,981,415
Buildings and Improvements	72,172,402	69,405,420	3,578,400	3,720,379	75,750,802	73,125,799
Machinery and Equipment	8,758,128	9,888,701	66,127	134,674	8,824,255	10,023,375
Infrastructure	177,335,411	171,038,275	-	-	177,335,411	171,038,275
Construction in Progress	3,050,675	6,341,324	-	-	3,050,675	6,341,324
Total	$361,496,135	$355,668,610	$4,631,052	$4,841,578	$366,127,187	$360,510,188

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. These were the only outstanding bonds of the County at the 2013 fiscal year end.

County of Clay, Florida
Outstanding Debt
Governmental Activities

	2013	2012
Gas Tax Revenue Bonds	-	$380,000
Sales Tax Revenue Bonds	$40,790,000	47,815,000
Total	$40,790,000	$48,195,000

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 5.6% for 2013. This represents a decrease of 18% from the prior year (6.8%).
- The gross taxable property values increased to $8.1 billion in fiscal year 2013, an increase of 2.5%.
- The number of building inspections performed increased from 38,472 in fiscal year 2012 to 47,939 in fiscal year 2013. 5,554 buildings were issued certificates of occupancy during 2013 compared to 6,192 for fiscal year 2012.
- The County's population remained fairly constant over the last several years at approximately 192,000.

Of the County's September 30, 2013 General fund balance of $28,757,373, $7,382,801 has been appropriated to the 2014 fiscal year to help fund 2014 activity. This amount has been included in the assigned fund balance on the 2013 financial statements along with $3,697,732 in the Fine and Forfeiture fund which is assigned for law enforcement purposes.

The 2014 ad valorem tax rate for the County remained at 7.851 mills.

The special assessment rates ($84 per unit) for the Solid Waste fund as well as the franchise fees were not changed for the 2013 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, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Housing Finance Authority
Assets				
Cash and cash equivalents	$ 36,810,745	$ 20,068,324	$ 56,879,069	$ 4,121,547
Investments	41,256,876	2,981,063	44,237,939	457,979
Due from other governments	4,858,167	13,592	4,871,759	-
Receivables, net	2,445,356	19,528	2,464,884	1,377,481
Internal balances	162,400	(162,400)	-	-
Prepaids	18,087	-	18,087	-
Inventory	458,307	-	458,307	-
Restricted investments	30,845,987	376,036	31,222,023	251,554
Capital assets:				
Non-depreciable	103,230,194	986,525	104,216,719	-
Depreciable, net	258,265,941	3,644,527	261,910,468	-
Total assets	478,352,060	27,927,195	506,279,255	6,208,561
Liabilities				
Accounts payable and accrued liabilities	6,511,696	1,442,485	7,954,181	18,232
Unearned revenue	973,232	-	973,232	-
Deposits	-	214,611	214,611	-
Estimated liability for self-insurance losses	3,867,227	-	3,867,227	-
Noncurrent liabilities:				
Due within one year	13,549,721	413,308	13,963,029	-
Due in more than one year	58,677,732	3,062,431	61,740,163	-
Total liabilities	83,579,608	5,132,835	88,712,443	18,232
Net position				
Net investment in capital assets	347,823,560	4,631,052	352,454,612	-
Restricted for:				
Public safety	8,781,398	-	8,781,398	-
Transportation	2,735,454	-	2,735,454	-
Capital projects	11,895,803	-	11,895,803	-
Debt service	8,158,657	-	8,158,657	-
Court costs	4,838,522	-	4,838,522	-
Economic environment	2,181,972	-	2,181,972	-
Other purposes	2,578,939	-	2,578,939	318,000
Unrestricted	5,778,147	18,163,308	23,941,455	5,872,329
Total net position	$ 394,772,452	$ 22,794,360	$ 417,566,812	$ 6,190,329

See Notes to Financial Statements.

Clay County, Florida

Statement of Activities
Fiscal Year Ended September 30, 2013

		Program Revenue		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary Government:				
Governmental activities:				
General government	$ 24,331,635	$ 4,500,013	$ 35,602	$ -
Public safety	63,704,878	5,361,158	2,224,953	106,881
Physical environment	1,130,922	1,319,424	-	-
Transportation	19,537,942	-	683,998	903,977
Economic environment	1,881,613	-	1,339,675	-
Human services	5,513,294	72,781	2,509	-
Culture and recreation	4,462,466	86,147	1,250,000	-
Court costs	5,337,388	2,548,474	2,503,593	-
Interest on long-term debt	1,702,405	-	-	-
Total governmental activities	127,602,543	13,887,997	8,040,330	1,010,858
Business-type activities:				
Solid waste disposal	9,297,162	9,830,606	-	-
Universal collections	9,082,258	8,816,020	-	-
Total business-type activities	18,379,420	18,646,626	-	-
Total primary government	$ 145,981,963	$ 32,534,623	$ 8,040,330	$ 1,010,858
Component Unit:				
Housing Finance Authority	229,120	584,499	-	-
Total component units	$ 229,120	$ 584,499	$ -	$ -

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
$ (19,796,020)	$ -	$ (19,796,020)	$ -
(56,011,886)	-	(56,011,886)	-
188,502	-	188,502	-
(17,949,967)	-	(17,949,967)	-
(541,938)	-	(541,938)	-
(5,438,004)	-	(5,438,004)	-
(3,126,319)	-	(3,126,319)	-
(285,321)	-	(285,321)	-
(1,702,405)	-	(1,702,405)	-
(104,663,358)	-	(104,663,358)	-
-	533,444	533,444	
-	(266,238)	(266,238)	
-	267,206	267,206	-
(104,663,358)	267,206	(104,396,152)	-
-	-	-	355,379
$ -	$ -	$ -	$ 355,379
58,089,208	-	58,089,208	-
3,178,068		3,178,068	
14,863,686	-	14,863,686	-
5,141,055	-	5,141,055	-
7,165,589	-	7,165,589	-
130,046	858,429	988,475	-
17,709,365	-	17,709,365	-
1,918,705	41,541	1,960,246	28,288
(135,759)	135,759	-	-
108,059,963	1,035,729	109,095,692	28,288
3,396,605	1,302,935	4,699,540	383,667
391,375,847	21,491,425	412,867,272	5,806,662
$ 394,772,452	$ 22,794,360	$ 417,566,812	$ 6,190,329

Clay County, Florida

Governmental Funds
Balance Sheet
September 30, 2013

	General Fund	Sheriff MSTU	Capital Improvement Projects	Other Governmental Funds	Total
Assets					
Cash and cash equivalents	$ 21,849,023	$ 794,315	$ 1,905,899	$ 10,297,043	$ 34,846,280
Investments	8,717,194	449,703	38,738,641	20,526,138	68,431,676
Due from other funds	1,790,972	225,539	-	535,452	2,551,963
Due from other governments	1,912,526	218	1,554,372	1,390,404	4,857,520
Receivables, net	2,374,101	-	-	71,255	2,445,356
Prepaids	3,352	-	-	14,735	18,087
Inventory	444,962	-	-	13,345	458,307
Total assets	$ 37,092,130	$ 1,469,775	$ 42,198,912	$ 32,848,372	$ 113,609,189
Liabilities:					
Accounts payable and accrued liabilities	$ 4,385,947	$ 3,114	$ 961,383	1,161,252	$ 6,511,696
Due to other funds	1,062,925	123,524	-	1,660,788	2,847,237
Unearned revenue	875,003	-	-	98,229	973,232
Total liabilities	6,323,875	126,638	961,383	2,920,269	10,332,165
Deferred inflow of resources					
Unavailable revenue	2,010,882	-	-	490,310	2,501,192
Fund balances:					
Nonspendable:					
Prepaids	3,352	-	-	14,735	18,087
Inventory	444,962	-	-	13,345	458,307
Restricted	117,071	1,343,137	41,237,529	29,468,424	72,166,161
Assigned	11,080,533	-	-	-	11,080,533
Unassigned	17,111,455	-	-	(58,711)	17,052,744
Total fund balances	28,757,373	1,343,137	41,237,529	29,437,793	100,775,832
Total liabilities, deferred inflow of resources and fund balances	$ 37,092,130	$ 1,469,775	$ 42,198,912	$ 32,848,372	$ 113,609,189

See Notes to Financial Statements.

Clay County, Florida

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2013

Fund balances – total governmental funds	$ 100,775,832
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	361,496,135
Long-term liabilities are not due and payable in the current period and do not encumber current financial resources and therefore are not reported in the governmental fund statements:	
Bonds payable	(40,790,000)
Original issue premium	(3,728,562)
Medicaid note payable	(323,668)
Compensated absences	(11,318,223)
Environmental remediation liability	(40,000)
Net OPEB Obligation	(16,027,000)
The estimated liability for self-insured workers' compensation is not accrued in the governmental funds.	(124,900)
Revenue is recognized when earned. However, revenue is deferred until the current financial resources are available in the governmental fund statements.	2,501,192
Certain net position of the Internal Service Fund are reported in governmental activities but not in the governmental funds.	2,351,646
Net position of governmental activities	$ 394,772,452

See Notes to Financial Statements.

Clay County, Florida

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year Ended September 30, 2013

	General Fund	Sheriff MSTU	Capital Improvement Projects	Other Governmental Funds	Total
Revenue:					
Taxes	$ 48,526,179	$ 15,142,752	$ 14,863,686	$ 10,088,808	$ 88,621,425
Licenses and permits	11,160	-	-	2,221,327	2,232,487
Intergovernmental	17,293,796	-	925,759	8,043,027	26,262,582
Charges for services	8,404,458	-	-	3,015,750	11,420,208
Fines and forfeitures	7,835	-	-	743,724	751,559
Miscellaneous	1,188,821	16,671	345,908	702,768	2,254,168
Total revenues	75,432,249	15,159,423	16,135,353	24,815,404	131,542,429
Expenditures:					
Current:					
General government	20,064,165	-	-	1,107,748	21,171,913
Public safety	54,022,765	1,545,416	-	6,953,829	62,522,010
Physical environment	487,510	-	-	527,249	1,014,759
Transportation	2,823,361	-	-	8,301,682	11,125,043
Economic environment	139,881	-	-	1,749,342	1,889,223
Human services	5,128,214	-	-	350,620	5,478,834
Culture and recreation	4,423,999	-	-	2,270	4,426,269
Court costs	1,033,032	-	-	4,251,138	5,284,170
Capital outlay	-	-	16,932,316	-	16,932,316
Debt service:					
Principal retirement	-	-	-	7,405,000	7,405,000
Interest and fiscal charges	-	-	-	2,446,355	2,446,355
Total expenditures	88,122,927	1,545,416	16,932,316	33,095,233	139,695,892
Excess of revenues over (under) expenditures	(12,690,678)	13,614,007	(796,963)	(8,279,829)	(8,153,463)
Other financing sources (uses):					
Transfers in	13,889,404	216,615	-	14,668,203	28,774,222
Transfers out	(771,748)	(14,038,862)	(9,851,355)	(4,248,016)	(28,909,981)
Total other financing sources (uses)	13,117,656	(13,822,247)	(9,851,355)	10,420,187	(135,759)
Net change in fund balances	426,978	(208,240)	(10,648,318)	2,140,358	(8,289,222)
Fund balances, beginning of year	28,345,181	1,551,377	51,885,847	27,281,558	109,063,963
Change in prepaids	(608)	-	-	2,532	1,924
Change in inventory	(14,178)	-	-	13,345	(833)
Fund balances, end of year	$ 28,757,373	$ 1,343,137	$ 41,237,529	$ 29,437,793	$ 100,775,832

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, 2013

Net change in fund balances, total governmental funds	$ (8,289,222)
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	20,962,404
Current year depreciation expense	(15,082,320)
Loss on capital asses disposals and abandonment	(52,559)
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 issuance costs, 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	7,405,000
Amortization of deferred charge on refunding	(9,263)
Amortization of bond premium	745,713
Decrease in Medicaid note payable	161,834
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	(455,317)
OPEB expense	(1,609,000)
Interest on long-term debt	7,500
Reduction of environmental remediation liability	91,000
Self-insured workers' compensation	89,100
The timing of revenue recognition sometimes differs between the governmental funds and governmental activities:	
Change in unavailable revenues	(589,807)
Certain activities of the Internal Service Fund are reported in the statement of activities, but not in the governmental funds.	20,451
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	1,091
Change in net position of governmental activities	$ 3,396,605

See Notes to Financial Statements.

Clay County, Florida

Proprietary Funds
Statement of Net Position
September 30, 2013

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Solid Waste Disposal	**Universal Collection Fund**	**Total**	**Internal Service Fund**
Assets:				
Current assets:				
Cash and cash equivalents	$ 18,012,570	$ 2,015,801	$ 20,028,371	$ 2,004,418
Investments	2,486,752	494,311	2,981,063	3,671,187
Accounts receivables	19,528	-	19,528	-
Due from other governments	13,506	86	13,592	647
Due from other funds	104,106	174,512	278,618	457,674
Total current assets	20,636,462	2,684,710	23,321,172	6,133,926
Noncurrent assets:				
Restricted investments	376,036	-	376,036	-
Capital assets, net	4,631,052	-	4,631,052	-
Total noncurrent assets	5,007,088	-	5,007,088	-
Total assets	25,643,550	2,684,710	28,328,260	6,133,926
Current Liabilities:				
Accounts payable and accrued liabilities	725,696	716,789	1,442,485	-
Due to other funds	405,490	35,528	441,018	-
Deposits	214,611	-	214,611	-
Estimated liability for self-insured losses	-	-	-	3,742,327
Current portion of long-term liabilities	413,308	-	413,308	-
Total current liabilities	1,759,105	752,317	2,511,422	3,742,327
Noncurrent Liabilities:				
Long-term liabilities	3,062,431	-	3,062,431	-
Total liabilities	4,821,536	752,317	5,573,853	3,742,327
Net Position:				
Net investment in capital assets	4,631,052	-	4,631,052	-
Unrestricted	16,190,962	1,932,393	18,123,355	2,391,599
Total net position	$ 20,822,014	$ 1,932,393	22,754,407	$ 2,391,599
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			39,953	
Net position of business-type activities			$ 22,794,360	

See Notes to Financial Statements.

Clay County, Florida

Proprietary Funds
Statement of Revenue, Expenses and Changes in Net Position
Fiscal Year Ended September 30, 2013

	Business-Type Activities – Enterprise Funds			Governmental Activities
	Solid Waste Disposal	**Universal Collection Fund**	**Total**	**Internal Service Fund**
Operating revenue:				
Charges for services	$ 8,972,013	$ 8,816,020	$ 17,788,033	$ 12,942,601
Sales	858,593	-	858,593	-
Total operating revenue	9,830,606	8,816,020	18,646,626	12,942,601
Operating expenses:				
Personal services	8,071,736	106,153	8,177,889	-
Operating expenses:	1,015,359	8,976,105	9,991,464	1,101,596
Depreciation	210,526	-	210,526	-
Claims expense	-	-	-	11,830,048
Total operating expenses	9,297,621	9,082,258	18,379,879	12,931,644
Operating income (loss)	532,985	(266,238)	266,747	10,957
Nonoperating revenue (expenses):				
Investment revenue	34,697	6,844	41,541	9,953
Franchise fees	858,429	-	858,429	-
Total nonoperating revenues (expenses)	893,126	6,844	899,970	9,953
Income (loss) before transfers	1,426,111	(259,394)	1,166,717	20,910
Transfers in	51,946	83,813	135,759	-
Change in net assets	1,478,057	(175,581)	1,302,476	20,910
Total net position, beginning of year	19,343,957	2,107,974		2,370,689
Total net position, end of year	$ 20,822,014	$ 1,932,393		$ 2,391,599
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			459	
Change in net position of business-type activities			$ 1,302,935	

See Notes to Financial Statements.

Clay County, Florida

Proprietary Funds
Statement of Cash Flows
Fiscal Year Ended September 30, 2013

	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	$ 9,985,507	$ 8,815,934	$ 18,801,441	$ -
Payments to suppliers	(1,038,061)	(8,946,161)	(9,984,222)	(1,559,270)
Payments to employees	(8,037,195)	(107,923)	(8,145,118)	-
Self-insurance charges	-	-	-	12,947,723
Self-insurance payments	-	-	-	(11,505,909)
Net cash provided (used) by operating activities	910,251	(238,150)	672,101	(117,456)
Cash Flows From Noncapital Financing Activities				
Transfer in	51,946	83,813	135,759	-
Franchise fees received	858,429	-	858,429	-
Net cash provided by noncapital financing activities	910,375	83,813	994,188	-
Cash Flows From Investing Activities				
Purchase of investments	(7,172,724)	(6,910,986)	(14,083,710)	(6,008,879)
Sale of investments	8,710,699	8,253,101	16,963,800	6,500,000
Interest received	34,697	6,844	41,541	9,953
Net cash provided by investing activities	1,572,672	1,348,959	2,921,631	501,074
Net increase in cash and cash equivalents	3,393,298	1,194,622	4,587,920	383,618
Cash and cash equivalents, beginning of year	14,619,272	821,179	15,440,451	1,620,800
Cash and cash equivalents, end of year	$ 18,012,570	$ 2,015,801	$ 20,028,371	$ 2,004,418
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 532,985	$ (266,238)	$ 266,747	$ 10,957
Depreciation	210,526	-	210,526	-
Changes in assets and liabilities:				
Accounts receivable	110,651	-	110,651	4,962
Due from other governments	22,496	(86)	22,410	160
Due from other funds	10,078	10,300	20,378	(457,674)
Accounts payable and accrued liabilities	10,998	17,915	28,913	-
Deposits	21,754	-	21,754	-
Due to other funds	169,145	(41)	169,104	-
Compensated absences	11,954	-	11,954	-
Landfill postclosure costs	(190,336)	-	(190,336)	-
Estimated liability for self-insured losses	-	-	-	324,139
Net cash provided (used) by operating activities	$ 910,251	$ (238,150)	$ 672,101	$ (117,456)

See Notes to Financial Statements.

Clay County, Florida

Fiduciary Funds
Statement of Net Position
September 30, 2013

Assets		**Agency Funds**
Cash and cash equivalents	$	6,866,936
Receivables		48,756
Total assets		6,915,692
Liabilities:		
Assets held for others		6,915,692
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, taxpayer assessed tax revenues including sales and utility services taxes, state shared revenue, intergovernmental revenue and charges for 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 $3,529,000. 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 valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date donated. The thresholds for capitalizing capital assets are generally as follows:

Tangible personal property	$ 1,000
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 shown as capital outlay expenditures.

Amortization: At the government-wide level and in the proprietary funds, discounts, premiums and deferred amounts on refunding 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 $600,000 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, 2013 are summarized in the following table:

Fund	Amount	S&P Rating
Florida PRIME	$ 73,996,096	AAAm
Fund B	726,746	Not Rated
Florida SAFE	573,946	AAAm
FLGIT	163,174	AAAf
Total	$ 75,459,962	

Note 2. Deposits and Investments (Continued)

	Governmental Activities	Business-Type Activities	Total
Investments	$ 41,256,876	$ 2,981,063	$ 44,237,939
Restricted investments	30,845,987	376,036	31,222,023
Total investments	$ 72,102,863	$ 3,357,099	$ 75,459,962

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. Previously, the SBA reported that the State Pool was exposed to potential risks due to indirect exposure in the sub-prime mortgage financial market. Consequently, the SBA placed some restrictions on how participants could access portions of their surplus funds and ultimately restructured the State Pool into two separate pools ("Florida PRIME" and "Fund B"). The State of Florida provides regulatory oversight over the two pools.

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.

The Fund B is reported as a fluctuating net asset value pool, determined by the fair value per share of the pool's underlying portfolio. The weighted average life (WAL) of Fund B at September 30, 2013 was 4.04 years. A portfolio's WAL is the dollar weighted average length of time until securities held reach maturity. Since Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the WAL.

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

Pursuant to its investment policy, Florida SAFE may invest in 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, 2013, the FLGIT's average maturity was under 5 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, 2013, interfund balances consisted of:

	Due To						
	General	Sheriff MSTU	Nonmajor Governmental	Solid Waste	Universal Collection	Internal Service	Total
Due From							
General fund	$ -	$ -	$ 326,633	$ 104,106	$ 174,512	$ 457,674	$ 1,062,925
Sheriff MSTU	-	-	123,524	-	-	-	123,524
Nonmajor governmental	1,349,954	225,539	85,295	-	-	-	1,660,788
Solid waste disposal	405,490	-	-	-	-	-	405,490
Universal collections fund	35,528	-	-	-	-	-	35,528
Totals	$ 1,790,972	$ 225,539	$ 535,452	$ 104,106	$ 174,512	$ 457,674	$ 3,288,255

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

Interfund transfers are summarized below:

	Transfers Out				
	General	Sheriff MSTU	Capital Improvement Projects	Nonmajor Governmental	Total
Transfers In					
General Fund	$ -	$ 13,889,179	$ -	$ 225	$ 13,889,404
Sheriff MSTU	216,615	-	-	-	216,615
Nonmajor Governmental	419,374	149,683	9,851,355	4,247,791	14,668,203
Solid waste	51,946	-	-	-	51,946
Universal collection	83,813	-	-	-	83,813
Totals	$ 771,748	$ 14,038,862	$ 9,851,355	$ 4,248,016	$ 28,909,981

Note 3. Interfund Balances and Transfers (Continued)

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, a transfer from the Capital Improvement Project fund to the nonmajor Debt Service funds for payments of long-term debt, and a transfer from the nonmajor Debt Service Fund to the Transportation Trust fund to transfer the remaining equity in a debt service fund after the related bond obligation had been satisfied.

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	$ -	$ -	$ 41,237,529	$ 1,504,235	$ 42,741,764
Debt service	-	-	-	8,158,657	8,158,657
Public safety	-	1,343,137	-	7,453,580	8,796,717
Court costs	-	-	-	4,838,522	4,838,522
Economic environment	-	-	-	2,194,235	2,194,235
Transportation	-	-	-	2,807,209	2,807,209
Human Services	-	-	-	1,878	1,878
Culture and recreation	-	-	-	578,051	578,051
Municipal services	-	-	-	1,932,057	1,932,057
Election grants	117,071	-	-	-	117,071
Total restricted fund balance	$ 117,071	$ 1,343,137	$ 41,237,529	$ 29,468,424	$ 72,166,161

In the General Fund, fund balance of $7,382,801 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	$ 98,994,890	$ 1,202,532	$ 17,903	$ 100,179,519
Construction in progress	6,341,324	1,287,676	4,578,325	3,050,675
Total capital assets not being depreciated	105,336,214	2,490,208	4,596,228	103,230,194
Capital assets being depreciated:				
Buildings and improvements	97,696,411	5,280,541	10,719	102,966,233
Machinery and equipment	59,944,579	4,263,770	3,466,339	60,742,010
Infrastructure	243,852,380	14,542,480	-	258,394,860
Total capital assets being depreciated	401,493,370	24,086,791	3,477,058	422,103,103
Less accumulated depreciation for:				
Buildings and improvements	28,290,991	2,508,110	5,270	30,793,831
Machinery and equipment	50,055,878	4,328,866	2,400,862	51,983,882
Infrastructure	72,814,105	8,245,344	-	81,059,449
Total accumulated depreciation	151,160,974	15,082,320	2,406,132	163,837,162
Total capital assets being depreciated, net	250,332,396	9,004,471	1,070,926	258,265,941
Total governmental activities, net	$ 355,668,610	$ 11,494,679	$ 5,667,154	$ 361,496,135

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	1,658,889	-	197,769	1,461,120
Total capital assets being depreciated	7,239,883	-	197,769	7,042,114
Less accumulated depreciation for:				
Buildings and improvements	1,860,615	141,979	-	2,002,594
Machinery and equipment	1,524,215	68,547	197,769	1,394,993
Total accumulated depreciation	3,384,830	210,526	197,769	3,397,587
Total capital assets being depreciated, net	3,855,053	(210,526)	-	3,644,527
Total business-type activities, net	$ 4,841,578	$ (210,526)	$ -	$ 4,631,052

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

Governmental Activities:	
General government	$ 3,218,143
Public safety	3,159,387
Transportation	8,575,805
Human services	26,344
Culture and recreation	56,651
Court costs	45,990
Total depreciation expense – governmental activities	$ 15,082,320
Business-Type Activities:	
Solid Waste	$ 210,526

Note 6. Long-Term Liabilities

	Balance 10/01/2012	Additions	Reductions	Balance 09/30/2013	Due Within One Year
2003 Gas Tax Refunding Bonds	$ 380,000	$ -	$ 380,000	$ -	$ -
2009 Infrastructure Sales Surtax Revenue Bonds	47,815,000	-	7,025,000	40,790,000	7,380,000
Original Issue Premium	4,474,275	-	745,713	3,728,562	-
Less Deferred Refunding Amount	(9,263)	-	(9,263)	-	-
Total Bonds Payable	52,660,012	-	8,141,450	44,518,562	7,380,000
Medicaid Note Payable	485,502	-	161,834	323,668	80,917
Environmental Remediation	131,000	-	91,000	40,000	40,000
Compensated Absences	10,862,906	8,613,728	8,158,411	11,318,223	6,048,804
Net OPEB Obligation	14,418,000	1,609,000	-	16,027,000	-
Governmental Activity Long-Term Liabilities	$ 78,557,420	$ 10,222,728	$ 16,552,695	$ 72,227,453	$ 13,549,721
Business-Type Activities:					
Compensated Absences	$ 310,607	$ 145,607	$ 133,653	$ 322,561	$ 37,273
Landfill Postclosure Care Costs	3,343,514	-	190,336	3,153,178	376,035
Business-Type Activity Long-Term Liabilities	$ 3,654,121	$ 145,607	$ 323,989	$ 3,475,739	$ 413,308

Bonds Payable

A brief synopsis of bonds payable follows:

$3,415,000 – 2003 Gas Tax Revenue Refunding Bonds is a refunding of the 1994 Gas Tax Revenue Refunding Bonds for transportation-related improvements. Due in annual installments varying from $305,000 to $380,000, plus interest (payable semi-annually) varying from 2.0% to 3.1% through June 1, 2013. The revenues of the 7th cent and the 9th cent gas tax 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 which was paid off during the year. During 2013, $1,609,602 of gas tax revenue was recognized and $391,780 was paid for debt service.	$ -
$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 $47,307,025. During 2013, $14,863,686 of sales surtax was recognized and $9,851,355 was paid for debt service.	40,790,000
Total	$ 40,790,000

Note 6. Long-Term Liabilities (Continued)

The annual requirements to amortize bonds payable as of September 30, 2013, are as follows:

Year Ending September 30,	Principal	Interest	Total
2014	$ 7,380,000	$ 2,083,325	$ 9,463,325
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	$ 40,790,000	$ 6,517,025	$ 47,307,025

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 $3,153,178 reported as landfill postclosure care liability at September 30, 2013, 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 $376,036 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, 2013 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, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%. 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, 2013, 2012 and 2011 were approximately $6 million, $5.1 million and $8.1 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, 2011, the date of the latest actuarial valuation, plan participation consisted of 1,236 active employees and 226 retirees receiving benefits. Of the active employees, approximately 1,116 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	$ 2,451,000
Interest on net OPEB obligation	577,000
Adjustments to ARC	(571,000)
Annual OPEB cost (expense)	2,457,000
Contributions made	(848,000)
Increase in net OPEB obligation	1,609,000
Net OPEB obligation – beginning of year	14,418,000
Net OPEB obligation – end of year	$ 16,027,000

Note 8. Other Postemployment Benefit Plan (Continued)

Trend Information:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
2013	$ 2,457,000	$ 848,000	34.51%	$ 16,027,000
2012	$ 2,322,000	$ 779,000	33.55%	$ 14,418,000
2011	$ 1,823,000	$ 880,000	48.27%	$ 12,875,000

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)	28 years
Asset valuation method	N/A

The actuarial assumptions are:

Investment rate of return	4.0%
Projected annual salaries increase	3.5%
Inflation rate	2.5%
Mortality	RP-2000 table applied on a gender specific basis
Healthcare cost trend rate	7.5% initial year; decreasing gradually until reaching ultimate trend rate of 4.2%

Funded Status and Funding Progress – The OPEB contributions made for the 2013 fiscal year were 34.5% of the annual OPEB cost. As of the actuarial valuation report dated October 1, 2012, the actuarial value of assets was $0, the actuarial accrued liability for benefits was $25.5 million, the unfunded actuarial accrued liability (UAAL) was also $25.5 million and the funded ratio was 0%. Covered payroll for the period was $60.9 million.

Note 8. Other Postemployment Benefit Plan (Continued)

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 2013. 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 $350,000 per claim.

In the government-wide financial statements, the County has reported an estimated liability for self-insured losses of $124,900. 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
2012	$ 348,000	$ 815,000	$ 949,000	$ 214,000
2013	$ 214,000	$ 947,500	$ 1,036,600	$ 124,900

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.

Liabilities are reported if information prior to the issuance of the financial statements indicate that it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, including an estimate for those incurred but not reported (IBNRs). This estimate is based on historical experience and current trends, and is reported at current dollar value in the County's health insurance internal service fund.

Note 9. Risk Management (Continued)

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

	Beginning of Year Liability	Claims Incurred	Claims Paid	End of Year Liability
2012	$ 3,544,405	$ 11,136,424	$ 11,262,641	$ 3,418,188
2013	$ 3,418,188	$ 11,830,048	$ 11,505,909	$ 3,742,327

Note 10. Operating Leases

The County has executed several leases that are classified as operating leases. The total cost for 2013 was approximately $250,000.

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

Year Ending September 30,	Amount
2014	$ 201,070
2015	201,704
2016	202,361
2017	203,041
2018	166,571
2019-2021	374,240
Total	$ 1,348,987

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. 66, *Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62*, the objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This Statement will be effective for financial statements for periods beginning after December 15, 2012.

Note 12. New Accounting Pronouncements (Continued)

GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, the objective of this Statement is to improve financial reporting by state and local governmental pension plans. 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 replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures,* as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. This Statement will be effective for financial statements for periods beginning after June 15, 2013.

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

Note 13. Accounting Standards Adopted

In fiscal year 2013, the County adopted four new statements of financial accounting standards issued by the GASB:

- Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*
- Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*
- Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Statement No. 65, *Items Previously Reported as Assets and Liabilities*

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* addresses how to account for and report service concession arrangements (SCAs), a type of public-private or public-public partnership that state and local governments are increasingly entering into. The adoption resulted in no financial impact to the County.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30,1989 FASB and AICPA Pronouncements* enhances the usefulness of GASB Codification by incorporating certain accounting guidance issued by the FASB and the AICPA that is applicable to state and local governments. The adoption resulted in no financial impact to the County.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* provides guidance for deferred outflows of resources and deferred inflows of resources. It further identifies net position as the residual of all other elements presented in a statement of financial position. This Statement redefines certain assets and liabilities as “deferred outflows of resources” or “deferred inflows of resources.” It further requires the “Investment in capital assets, net of debt” now be titled “Net investment in capital assets” and that the last line of the statements, previously called “Net assets” now be titled “Net position”.

Statement No. 65, *Items Previously Reported as Assets and Liabilities* provides additional guidance for the items listed in GASB 63 and includes additional changes in accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement specifically addresses the calculation of a deferred outflow or inflow for the refunding of debt, requires that debt issuance costs be expensed in the period in which that debt was issued, and requires that revenue recorded in the governmental funds that is not available be classified as Unavailable Revenue (a deferred inflow).

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 49,362,826	$ 49,362,826	$ 48,526,179	$ (836,647)
Licenses and permits	11,784	11,784	11,160	(624)
Intergovernmental	16,494,588	17,159,527	17,293,796	134,269
Charges for services	6,479,419	6,479,419	8,404,458	1,925,039
Fines and forfeitures	8,195	8,195	7,835	(360)
Miscellaneous	840,619	884,219	1,188,821	304,602
Total revenues	73,197,431	73,905,970	75,432,249	1,526,279
Expenditures				
Current:				
County Commissioners	554,678	546,274	520,524	25,750
County Manager	378,067	331,265	311,711	19,554
Human resources	173,473	173,473	148,649	24,824
Risk manager	2,543,338	2,543,337	2,446,981	96,356
MIS department	1,858,549	1,858,549	1,806,746	51,803
Health department	987,587	987,587	931,827	55,760
County auditor	112,355	113,065	111,453	1,612
County comptroller	1,334,408	1,334,408	1,268,361	66,047
Budget director	180,812	180,812	176,922	3,890
Purchasing	356,903	371,788	363,990	7,798
County attorney	542,352	577,352	557,378	19,974
Sheriff	37,858,019	37,946,132	37,334,849	611,283
Property Appraiser	2,465,964	2,565,964	2,417,494	148,470
Tax Collector	4,142,730	4,142,730	3,941,491	201,239
Board of Tax Adjustment	62,000	62,000	57,218	4,782
Clerk of Court	2,047,702	2,135,258	2,070,863	64,395
Filing fee costs	10,000	10,000	1,126	8,874
Circuit court	4,000	4,000	1,176	2,824
Juvenile detention	1,416,830	1,416,830	1,154,181	262,649
County court	3,700	3,700	-	3,700
State Attorney	3,450	3,450	1,173	2,277
Supervisor of Elections	1,531,207	1,540,450	1,287,197	253,253
Building maintenance	2,815,126	2,778,069	2,517,151	260,918
Historical commission	7,500	7,600	357	7,243
Veterans service officer	82,162	82,162	41,156	41,006
Council on Aging	741,370	741,370	741,348	22
Economic development	127,109	127,109	55,949	71,160
Keystone CRA	27,500	27,500	24,066	3,434
FHFC-advisory services	30,716	30,716	18,710	12,006
Medical examiner	340,000	386,000	373,531	12,469
Rescue services	10,731,662	11,083,611	10,270,503	813,108
FY10 Asst to FF Grant	62,463	44,071	14,104	29,967
FY11 Asst AFG Grant	-	153,807	125,372	28,435
Emergency management	222,955	162,683	129,232	33,451
2012 SHSGP	-	10,923	720	10,203
EMPG 2012 Grant	-	66,909	63,881	3,028
SHS Issue 10	25,000	37,000	35,069	1,931
2013 School Retrofit	-	87,390	-	87,390
EMPA Grant 13/14	28,448	194,260	99,624	94,636
EMPG 2013 Grant	-	66,841	338	66,503
SHSGP Issue 7 FY09	7,500	-	-	-
SHSGP Issue 7 FY11	18,500	18,500	5,067	13,433

Clay County, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund (Continued)
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Public Safety Admin/Comm	1,558,164	1,598,165	1,498,017	100,148
EMS Co Grant C0010	113,807	133,898	123,730	10,168
Hospital services	70,000	70,000	37,665	32,335
Public assistance services	2,297,920	2,309,719	2,296,659	13,060
Aid to private organizations	305,700	305,700	305,700	-
Animal care & control	1,217,164	1,217,164	878,720	338,444
Parks and recreation admin	1,566,174	1,586,174	1,337,194	248,980
Wal-Mart park	970,183	641,555	634,455	7,100
Oakleaf park	100	100	100	-
Libraries administration	748,053	737,463	636,167	101,296
Orange Park library	566,863	566,863	536,207	30,656
GCS library	214,771	214,772	199,413	15,359
Keystone Heights library	168,922	168,922	159,824	9,098
Middleburg library	243,448	254,038	247,691	6,347
Library headquarters	703,448	703,448	672,595	30,853
Agriculture agent	414,444	414,444	396,740	17,704
Soil conservation	3,725	3,725	546	3,179
Transit Authority	40,000	40,000	33,055	6,945
Fleet/fuel management	3,252,459	3,252,459	2,790,304	462,155
Knowles/H.P. clean-Up	131,000	131,000	79,780	51,220
Interlocal agreements	87,000	87,000	43,500	43,500
Black Creek Hills MSBU	10,723	10,723	10,445	278
Fine and forfeiture	4,018,179	4,029,379	3,776,932	252,447
Total expenditures	92,538,382	93,431,656	88,122,927	5,308,729
Excess of revenues over (under) expenditures	(19,340,951)	(19,525,686)	(12,690,678)	6,835,008
Other financing sources (uses):				
Transfers In	14,995,499	15,083,612	13,889,404	(1,194,208)
Transfers Out	(914,886)	(1,243,849)	(771,748)	472,101
Total other financing sources (uses)	14,080,613	13,839,763	13,117,656	(722,107)
Net change in fund balances	(5,260,338)	(5,685,923)	426,978	6,112,901
Fund balances – beginning of year	19,886,400	19,886,400	28,345,181	8,458,781
Change in Prepaid	-	-	(608)	(608)
Change in Inventory	-	-	(14,178)	(14,178)
Fund balances – end of year	$ 14,626,062	$ 14,200,477	$ 28,757,373	$ 14,556,896

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

Clay County, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Sheriff MSTU
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 15,603,305	$ 15,603,305	$ 15,142,752	$ (460,553)
Miscellaneous	4,750	4,750	16,671	11,921
Total revenues	15,608,055	15,608,055	15,159,423	(448,632)
Expenditures:				
Current:				
Sheriff MSTU	1,525,753	1,545,553	1,545,416	137
Excess of revenues over (under) expenditures	14,082,302	14,062,502	13,614,007	(448,495)
Other Financing Sources (Uses):				
Transfers in	-	-	216,615	216,615
Transfers out	(14,016,609)	(14,038,862)	(14,038,862)	-
Total other financing sources (uses)	(14,016,609)	(14,038,862)	(13,822,247)	216,615
Net change in fund balances	65,693	23,640	(208,240)	(231,880)
Fund balances – beginning of year	860,534	860,534	1,551,377	690,843
Fund balances – end of year	$ 926,227	$ 884,174	$ 1,343,137	$ 458,963

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, 2013

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
10/01/2012	$ -	$ 25,503,000	$ 25,503,000	0%	$ 60,875,986	41.89%
10/01/2011	$ -	$ 23,956,000	$ 23,956,000	0%	$ 64,117,938	37.36%
10/01/2009	$ -	$ 19,474,000	$ 19,474,000	0%	$ 58,884,934	33.07%
10/01/2007	$ -	$ 123,030,000	$ 123,030,000	0%	$ 59,503,116	206.76%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Employer Contributions	Percentage Contributed
09/30/2013	$ 2,451,000	$ 848,000	34.60%
09/30/2012	$ 2,301,000	$ 779,000	33.85%
09/30/2011	$ 1,748,000	$ 880,000	50.34%
09/30/2010	$ 1,748,000	$ 880,000	50.34%
09/30/2009	$ 12,236,000	$ 1,953,000	15.96%

SUPPLEMENTARY INFORMATION

Clay County, Florida

Combining Balance Sheet Schedule
Board and Officer Funds
September 30, 2013

	Board of County Commissioners	Sheriff	Clerk of the Court	Property Appraiser
Assets				
Cash and equivalents	$ 15,752,621	$ 2,026,222	$ 166,248	$ 159,215
Investments	7,124,073	-	-	-
Due from other funds	3,377,312	6,278	-	-
Due from other governments	1,871,248	-	2,700	-
Receivables	2,287,032	87,028	-	-
Prepaids	-	-	3,352	-
Inventory	131,165	313,797	-	-
Total assets	$ 30,543,451	$ 2,433,325	$ 172,300	$ 159,215
Liabilities				
Accounts payable and accrued liabilities	$ 2,806,918	$ 1,398,997	$ 85,424	$ 3,672
Due to other funds	249,568	720,531	83,524	155,543
Unearned revenues	875,003	-	-	-
Total liabilities	3,931,489	2,119,528	168,948	159,215
Deferred inflow of resources				
Unavailable revenue	1,986,541	-	-	-
Fund Balances				
Nonspendable:				
Prepaids	-	-	3,352	-
Inventory	131,165	313,797	-	-
Restricted	-	-	-	-
Assigned	7,382,801	-	-	-
Unassigned	17,111,455	-	-	-
Total fund balances	24,625,421	313,797	3,352	-
Total liabilities, deferred inflow of resources and fund balances	$ 30,543,451	$ 2,433,325	$ 172,300	$ 159,215

(Continued)

Clay County, Florida

Combining Balance Sheet Schedule
Board and Officer Funds (Continued)
September 30, 2013

	Tax Collector	Supervisor of Elections	Fine and Forfeiture	Eliminations	Combined General Fund
Assets					
Cash and equivalents	$ 1,426,670	$ 277,269	$ 1,812,209	$ 228,569	$ 21,849,023
Investments	-	-	1,593,121	-	8,717,194
Due from other funds	-	-	624,649	(2,217,267)	1,790,972
Due from other governments	-	-	38,578	-	1,912,526
Receivables	-	-	41	-	2,374,101
Prepaids	-	-	-	-	3,352
Inventory	-	-	-	-	444,962
Total assets	$ 1,426,670	$ 277,269	$ 4,068,598	$ (1,988,698)	$ 37,092,130
Liabilities					
Accounts payable and accrued liabilities	$ 18,979	$ 10,891	$ 61,066	$ -	$ 4,385,947
Due to other funds	1,407,691	149,307	285,459	(1,988,698)	1,062,925
Unearned revenue	-	-	-	-	875,003
Total liabilities	1,426,670	160,198	346,525	(1,988,698)	6,323,875
Deferred inflow of resources					
Unavailable revenue	-	-	24,341	-	2,010,882
Fund Balances					
Nonspendable:					
Prepaids	-	-	-	-	3,352
Inventory	-	-	-	-	444,962
Restricted	-	117,071	-	-	117,071
Assigned	-	-	3,697,732	-	11,080,533
Unassigned	-	-	-	-	17,111,455
Total fund balances	-	117,071	3,697,732	-	28,757,373
Total liabilities, deferred inflow of resources and fund balances	$ 1,426,670	$ 277,269	$ 4,068,598	$ (1,988,698)	$ 37,092,130

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, 2013

	Board of County Commissioners			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 22,455,403	$ 22,455,403	$ 22,386,840	$ (68,563)
Licenses and permits	11,784	11,784	11,160	(624)
Intergovernmental	16,029,588	16,553,355	16,618,352	64,997
Charges for services	3,578,800	3,578,800	4,222,865	644,065
Fines and forfeitures	4,195	4,195	2,379	(1,816)
Miscellaneous	1,760,800	1,768,900	1,889,714	120,814
Total revenues	43,840,570	44,372,437	45,131,310	758,873
Expenditures:				
General government	15,153,129	15,124,258	14,254,929	869,329
Public safety	14,525,329	15,460,887	13,893,369	1,567,518
Physical environment	559,892	559,892	487,510	72,382
Transportation	3,292,459	3,292,459	2,823,361	469,098
Economic environment	267,487	267,487	139,881	127,606
Human services	5,558,540	5,570,342	5,128,214	442,128
Culture and recreation	5,189,463	4,880,935	4,423,999	456,936
Court costs	21,150	21,150	3,475	17,675
Total expenditures	44,567,449	45,177,410	41,154,738	4,022,672
Excess of revenues over (under) expenditures	(726,879)	(804,973)	3,976,572	4,781,545
Other Financing Sources (Uses):				
Transfers in	1,740,506	1,740,506	2,428,558	688,052
Transfers out	(5,165,506)	(5,149,541)	(5,112,731)	36,810
Total other financing sources (uses)	(3,425,000)	(3,409,035)	(2,684,173)	724,862
Net change in fund balances	(4,151,879)	(4,214,008)	1,292,399	5,506,407
Fund balances – beginning of year	17,115,427	17,115,427	23,333,499	6,218,072
Change in prepaids	-	-	-	-
Change in inventory	-	-	(477)	(477)
Fund balances – end of year	$ 12,963,548	$ 12,901,419	$ 24,625,421	$ 11,724,002

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, 2013

	Sheriff			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	37,809,887	37,854,394	37,363,578	490,816
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	1,059,246	1,102,852	982,385	120,467
Total expenditures	38,869,133	38,957,246	38,345,963	611,283
Excess of revenues over (under) expenditures	(38,869,133)	(38,957,246)	(38,345,963)	611,283
Other Financing Sources (Uses):				
Transfers in	38,869,133	38,957,246	38,957,246	-
Transfers out	-	-	(611,283)	(611,283)
Total other financing sources (uses)	38,869,133	38,957,246	38,345,963	(611,283)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	327,498	327,498
Change in prepaids	-	-	-	-
Change in inventory	-	-	(13,701)	(13,701)
Fund balances – end of year	$ -	$ -	$ 313,797	$ 313,797

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, 2013

	Clerk of the Court			
	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,173,861	1,173,861	1,201,356	27,495
Fines and forfeitures	-	-	-	-
Miscellaneous			-	-
Total revenues	1,173,861	1,173,861	1,201,356	27,495
Expenditures:				
General government	1,404,040	1,488,040	1,432,339	55,701
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	47,500	47,500	47,172	328
Total expenditures	1,451,540	1,535,540	1,479,511	56,029
Excess of revenues over (under) expenditures	(277,679)	(361,679)	(278,155)	83,524
Other Financing Sources (Uses):				
Transfers in	-	-	361,679	361,679
Transfers out	-	-	(83,524)	(83,524)
Total other financing sources (uses)	-	-	278,155	278,155
Net change in fund balances	(277,679)	(361,679)	-	361,679
Fund balances – beginning of year	-	-	3,960	3,960
Change in prepaids	-	-	(608)	(608)
Change in inventory	-	-	-	-
Fund balances – end of year	$ (277,679)	$ (361,679)	$ 3,352	$ 365,031

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, 2013

	Property Appraiser			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	44,424	44,424	46,087	1,663
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	44,424	44,424	46,087	1,663
Expenditures:				
General government	2,194,800	2,294,800	2,171,959	122,841
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Total expenditures	2,194,800	2,294,800	2,171,959	122,841
Excess of revenues over (under) expenditures	(2,150,376)	(2,250,376)	(2,125,872)	124,504
Other Financing Sources (Uses):				
Transfers in	2,281,415	2,281,415	2,281,415	-
Transfers out	(131,039)	(31,039)	(155,543)	(124,504)
Total other financing sources (uses)	2,150,376	2,250,376	2,125,872	(124,504)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ -	$ -

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, 2013

	Tax Collector			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	3,617,267	3,617,267	4,882,563	1,265,296
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	43,695	43,695
Total revenues	3,617,267	3,617,267	4,926,258	1,308,991
Expenditures:				
General government	3,617,267	3,617,267	3,518,567	98,700
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Total expenditures	3,617,267	3,617,267	3,518,567	98,700
Excess of revenues over (under) expenditures	-	-	1,407,691	1,407,691
Other Financing Sources (Uses):				
Transfers in			-	-
Transfers out			(1,407,691)	(1,407,691)
Total other financing sources (uses)	-	-	(1,407,691)	(1,407,691)
Net change in fund balances	-	-	-	-
Fund balances – beginning of year	-	-	-	-
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ -	$ -

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, 2013

	Supervisor of Elections			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	35,616	35,616
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	4,787	4,787
Total revenues	-	-	40,403	40,403
Expenditures:				
General government	1,338,628	1,338,628	1,193,871	144,757
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Total expenditures	1,338,628	1,338,628	1,193,871	144,757
Excess of revenues over (under) expenditures	(1,338,628)	(1,338,628)	(1,153,468)	185,160
Other Financing Sources (Uses):				
Transfers in	1,338,628	1,338,628	1,338,628	-
Transfers out	-	-	(148,358)	(148,358)
Total other financing sources (uses)	1,338,628	1,338,628	1,190,270	(148,358)
Net change in fund balances	-	-	36,802	36,802
Fund balances – beginning of year	-	-	80,269	80,269
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ -	$ 117,071	$ 117,071

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, 2013

	Fine and Forfeiture			
	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 26,907,423	$ 26,907,423	$ 26,139,339	$ (768,084)
Licenses and permits	-	-	-	-
Intergovernmental	465,000	606,172	639,828	33,656
Charges for services	543,500	543,500	530,020	(13,480)
Fines and forfeitures	4,000	4,000	5,456	1,456
Miscellaneous	120,000	155,500	290,806	135,306
Total revenues	28,039,923	28,216,595	27,605,449	(611,146)
Expenditures:				
General government	-	-	-	-
Public safety	4,018,179	4,029,379	3,776,932	252,447
Physical environment	-	-	-	-
Transportation				-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Total expenditures	4,018,179	4,029,379	3,776,932	252,447
Excess of revenues over (under) expenditures	24,021,744	24,187,216	23,828,517	(358,699)
Other Financing Sources (Uses):				
Transfers in	-	-	566,712	566,712
Transfers out	(24,852,524)	(25,297,452)	(25,297,452)	-
Total other financing sources (uses)	(24,852,524)	(25,297,452)	(24,730,740)	566,712
Net change in fund balances	(830,780)	(1,110,236)	(902,223)	208,013
Fund balances – beginning of year	2,770,973	2,770,973	4,599,955	1,828,982
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ 1,940,193	$ 1,660,737	$ 3,697,732	$ 2,036,995

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, 2013

	Eliminations		
	Budget		
	Original	Final	Actual
Revenues:			
Taxes	$ -	$ -	$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	(2,478,433)	(2,478,433)	(2,478,433)
Fines and forfeitures	-	-	-
Miscellaneous	(1,040,181)	(1,040,181)	(1,040,181)
Total revenues	(3,518,614)	(3,518,614)	(3,518,614)
Expenditures:			
General government	(2,507,500)	(2,507,500)	(2,507,500)
Public safety	(1,011,114)	(1,011,114)	(1,011,114)
Physical environment	-	-	-
Transportation	-	-	-
Economic environment	-	-	-
Human services	-	-	-
Culture and recreation	-	-	-
Court costs	-	-	-
Total expenditures	(3,518,614)	(3,518,614)	(3,518,614)
Excess of revenues over (under) expenditures	-	-	-
Other Financing Sources (Uses):			
Transfers in	(29,234,183)	(29,234,183)	(32,044,834)
Transfers out	29,234,183	29,234,183	32,044,834
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	$ -	$ -	$ -

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, 2013

	Combined General Fund			
	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Taxes	$ 49,362,826	$ 49,362,826	$ 48,526,179	$ (836,647)
Licenses and permits	11,784	11,784	11,160	(624)
Intergovernmental	16,494,588	17,159,527	17,293,796	134,269
Charges for services	6,479,419	6,479,419	8,404,458	1,925,039
Fines and forfeitures	8,195	8,195	7,835	(360)
Miscellaneous	840,619	884,219	1,188,821	304,602
Total revenues	73,197,431	73,905,970	75,432,249	1,526,279
Expenditures:				
General government	21,200,364	21,355,493	20,064,165	1,291,328
Public safety	55,342,281	56,333,546	54,022,765	2,310,781
Physical environment	559,892	559,892	487,510	72,382
Transportation	3,292,459	3,292,459	2,823,361	469,098
Economic environment	267,487	267,487	139,881	127,606
Human services	5,558,540	5,570,342	5,128,214	442,128
Culture and recreation	5,189,463	4,880,935	4,423,999	456,936
Court costs	1,127,896	1,171,502	1,033,032	138,470
Total expenditures	92,538,382	93,431,656	88,122,927	5,308,729
Excess of revenues over (under) expenditures	(19,340,951)	(19,525,686)	(12,690,678)	6,835,008
Other Financing Sources (Uses):				
Transfers in	14,995,499	15,083,612	13,889,404	(1,194,208)
Transfers out	(914,886)	(1,243,849)	(771,748)	472,101
Total other financing sources (uses)	14,080,613	13,839,763	13,117,656	(722,107)
Net change in fund balances	(5,260,338)	(5,685,923)	426,978	6,112,901
Fund balances – beginning of year	19,886,400	19,886,400	28,345,181	8,458,781
Change in prepaids	-	-	(608)	(608)
Change in inventory	-	-	(14,178)	(14,178)
Fund balances – end of year	$ 14,626,062	$ 14,200,477	$ 28,757,373	$ 14,556,896

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2013

	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	$ 1,130,825	$ 134,313	$ 16,575	$ 2,855	$ 586,480
Investments	1,218,140	640,535	-	-	2,210,561
Due from other funds	112,935	5,673	5	802	45,133
Due from other governments	945,969	96	-	-	334
Receivables	-	-	-	-	-
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 3,407,869	$ 780,617	$ 16,580	$ 3,657	$ 2,842,508
Liabilities					
Accounts payable and accrued liabilities	$ 386,793	$ 194	$ -	$ -	$ -
Due to other funds	91,507	-	11,278	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	478,300	194	11,278	-	-
Deferred inflow of resources					
Unavailable revenue	427,909	-	-	-	-
Fund balances					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	2,501,660	780,423	5,302	3,657	2,842,508
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	2,501,660	780,423	5,302	3,657	2,842,508
Total liabilities, deferred inflow of resources and fund balances	$ 3,407,869	$ 780,617	$ 16,580	$ 3,657	$ 2,842,508

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Special Revenue Funds				
	Law Enforcement Trust	Law Library	Tourist Development Trust	Second Dollar Sheriff Education	Free Library
Assets					
Cash and cash equivalents	$ 188,581	$ 62,592	$ 316,047	$ 32,804	$ 20,066
Investments	81,856	-	898,068	3	572,366
Due from other funds	39,712	4,812	42,893	11,757	-
Due from other governments	15	-	134	-	88
Receivables	-	-	-	-	-
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 310,164	$ 67,404	$ 1,257,142	$ 44,564	$ 592,520
Liabilities					
Accounts payable and accrued liabilities	$ -	$ 400	$ 5,367	$ -	$ 5,469
Due to other funds	-	67,004	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	-	67,404	5,367	-	5,469
Deferred inflow of resources					
Unavailable revenue	-	-	-	-	-
Fund balances					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	310,164	-	1,251,775	44,564	587,051
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	310,164	-	1,251,775	44,564	587,051
Total liabilities, deferred inflow of resources and fund balances	$ 310,164	$ 67,404	$ 1,257,142	$ 44,564	$ 592,520

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Special Revenue Funds				
	Investigative Drug	Legal Aid Fees	SHIP	Florida Arts License Tag	Court Mediation
Assets					
Cash and cash equivalents	$ 4,731	$ 42,317	$ 732,417	$ 3,030	$ 3,767
Investments	57,074	-	200,001	-	41,351
Due from other funds	50,183	4,812	-	-	-
Due from other governments	9	-	34	160	6
Receivables	-	-	-	-	-
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 111,997	$ 47,129	$ 932,452	$ 3,190	$ 45,124
Liabilities					
Accounts payable and accrued liabilities	$ -	$ 35,155	$ 2,254	$ 770	2,447
Due to other funds	-	-	1	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	35,155	2,255	770	2,447
Deferred inflow of resources					
Unavailable revenue	-	-	-	-	-
Fund balances					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	111,997	11,974	930,197	2,420	42,677
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	111,997	11,974	930,197	2,420	42,677
Total liabilities, deferred inflow of resources and fund balances	$ 111,997	$ 47,129	$ 932,452	$ 3,190	$ 45,124

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Special Revenue Funds				
	Oak Forest Road MSBU	Teen Court	CDBG Grant Fund	Student Driver Education	Municipal Service
Assets					
Cash and cash equivalents	$ 29,197	$ 2,827	$ -	$ 90,264	$ 346,245
Investments	-	-	-	173,558	1,677,114
Due from other funds	25	4,493	-	4,107	56
Due from other governments	-	-	11,965	27	5,952
Receivables	-	-	303	-	21,500
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 29,222	$ 7,320	$ 12,268	$ 267,956	$ 2,050,867
Liabilities					
Accounts payable and accrued liabilities	$ -	$ -	$ 17,414	$ -	$ 118,449
Due to other funds	24,789	-	7,117	-	361
Unearned revenue	-	-	-	-	-
Total liabilities	24,789	-	24,531	-	118,810
Deferred inflow of resources					
Unavailable revenue	-	-	-	-	-
Fund balances					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	4,433	7,320	-	267,956	1,932,057
Assigned	-	-	-	-	-
Unassigned	-	-	(12,263)	-	-
Total fund balances (deficit)	4,433	7,320	(12,263)	267,956	1,932,057
Total liabilities, deferred inflow of resources and fund balances	$ 29,222	$ 7,320	$ 12,268	$ 267,956	$ 2,050,867

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Special Revenue Funds				
	Blue Jay MSBU	911 Wireless	State Court Local Requirements	Two Dollar Recording Fee	Crime Prevention Program
Assets					
Cash and cash equivalents	$ 44,543	$ 669,188	$ 89,667	$ 300,191	$ 57,039
Investments	-	573,193	683,540	-	172,181
Due from other funds	497	-	143,620	30,818	6,683
Due from other governments	27,174	145,131	103	-	26
Receivables	-	-	-	-	-
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	$ 72,214	$ 1,387,512	$ 916,930	$ 331,009	$ 235,929
Liabilities					
Accounts payable and accrued liabilities	$ 4,377	$ 21,539	$ 64,487	$ -	$ -
Due to other funds	80,060	-	-	-	-
Unearned revenue	27,174	71,055	-	-	-
Total liabilities	111,611	92,594	64,487	-	-
Deferred inflow of resources					
Unavailable revenue	-	-	-	-	-
Fund balances					
Nonspendable:					
Prepaids	-	-	-	-	-
Inventory	-	-	-	-	-
Restricted	-	1,294,918	852,443	331,009	235,929
Assigned	-	-	-	-	-
Unassigned	(39,397)	-	-	-	-
Total fund balances (deficit)	(39,397)	1,294,918	852,443	331,009	235,929
Total liabilities, deferred inflow of resources and fund balances	$ 72,214	$ 1,387,512	$ 916,930	$ 331,009	$ 235,929

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Special Revenue Funds			
	Juvenile Program	Building	Fire MSTU	Fire Inspection Fee Fund
Assets				
Cash and cash equivalents	$ 66,992	$ 2,351,466	$ 461,496	$ 82,670
Investments	-	1,271,554	783,402	-
Due from other funds	4,812	-	173	-
Due from other governments	-	4,407	52,822	-
Receivables	-	611	312	300
Prepaids	-	-	-	-
Inventory	-	-	-	-
Total assets	$ 71,804	$ 3,628,038	$ 1,298,205	$ 82,970
Liabilities				
Accounts payable and accrued liabilities	$ -	$ 78,284	$ 218,534	$ 5,496
Due to other funds	71,804	486,558	2,667	2
Unearned revenue	-	-	-	-
Total liabilities	71,804	564,842	221,201	5,498
Deferred inflow of resources				
Unavailable revenue	-	-	29,557	-
Fund balances				
Nonspendable:				
Prepaids	-	-	-	-
Inventory	-	-	-	-
Restricted	-	3,063,196	1,047,447	77,472
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	3,063,196	1,047,447	77,472
Total liabilities, deferred inflow of resources and fund balances	$ 71,804	$ 3,628,038	$ 1,298,205	$ 82,970

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Inmate Welfare Fund	Sheriff Special Revenue	Clerk Fine and Forfeiture	Records Modern-ization
Assets				
Cash and cash equivalents	$ 230,086	$ 477,743	$ 891,204	$ 170,899
Investments	-	-	-	134,871
Due from other funds	-	-	-	-
Due from other governments	-	-	56,890	-
Receivables	27,670	20,559	-	-
Prepaids	-	-	14,735	-
Inventory	-	13,345	-	-
Total assets	$ 257,756	$ 511,647	$ 962,829	$ 305,770
Liabilities				
Accounts payable and accrued liabilities	$ 10,350	$ 19,710	$ 126,376	$ 10,394
Due to other funds	6,278	202,593	574,858	-
Unearned revenue	-	-	-	-
Total liabilities	16,628	222,303	701,234	10,394
Deferred inflow of resources				
Unavailable revenue	-	-	32,844	-
Fund balances				
Nonspendable:				
Prepaids	-	-	14,735	-
Inventory	-	13,345	-	-
Restricted	241,128	275,999	214,016	295,376
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	241,128	289,344	228,751	295,376
Total liabilities, deferred inflow of resources and fund balances	$ 257,756	$ 511,647	$ 962,829	$ 305,770

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Special Revenue Funds					
	Information Technology	BCC Technology	CGD Supplementary Fee	Teen Court	Clay County Archives	Communications Tower
Assets						
Cash and cash equivalents	$ 181,153	$ 22,904	$ 3,230	$ 24,708	$ 7,549	$ -
Investments	27,151	-	1,152	-	-	2,994
Due from other funds	-	-	-	-	-	21,450
Due from other governments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-		-
Total assets	$ 208,304	$ 22,904	$ 4,382	$ 24,708	$ 7,549	$ 24,444
Liabilities						
Accounts payable and accrued liabilities	$ 6,505	$ 17,150	$ -	$ -	$ -	$ 3,338
Due to other funds	-	5,754	-	-	-	28,157
Unearned revenue	-	-	-	-	-	-
Total liabilities	6,505	22,904	-	-	-	31,495
Deferred inflow of resources						
Unavailable revenue	-	-	-	-	-	-
Fund balances						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-		-
Restricted	201,799	-	4,382	24,708	7,549	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(7,051)
Total fund balances (deficit)	201,799	-	4,382	24,708	7,549	(7,051)
Total liabilities, deferred inflow of resources and fund balances	$ 208,304	$ 22,904	$ 4,382	$ 24,708	$ 7,549	$ 24,444

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Debt Service Funds			Capital Project Funds		
	Gas Tax Refunding Bonds	Special Assessment Bonds August 1, 1990	Surtax Revenue Bonds Fund	Trans-portation Impact Fee Fund	Additional Capital Improvement Fund	CIP Northeast Sector
Assets						
Cash and cash equivalents	$ -	$ 89	$ -	$ -	$ -	$ 317,231
Investments	-	-	8,019,668	-	-	301,106
Due from other funds	-	1	-	-	-	-
Due from other governments	137,079	-	1,820	-	-	45
Receivables	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	
Total assets	$ 137,079	$ 90	$ 8,021,488	$ -	$ -	$ 618,382
Liabilities						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred inflow of resources						
Unavailable revenue	-	-	-	-	-	-
Fund balances						
Nonspendable:						
Prepaids	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted	137,079	90	8,021,488	-	-	618,382
Assigned	-	-	-	-	-	-
Unasigned	-	-	-	-	-	-
Total fund balances	137,079	90	8,021,488	-	-	618,382
Total liabilities, deferred inflow of resources and fund balances	$ 137,079	$ 90	$ 8,021,488	$ -	$ -	$ 618,382

(Continued)

Clay County, Florida

Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
September 30, 2013

	Capital Projects Funds					
	CIP West Sector	Capital Equipment	Branan Field APF	Sidewalk Fund	Lake Asbury APF	Totals
Assets						
Cash and cash equivalents	$ 55,131	$ 611	$ 45,294	$ 8	$ 18	$ 10,297,043
Investments	119,531	-	665,168	-	-	20,526,138
Due from other funds	-	-	-	-	-	535,452
Due from other governments	18	-	100	-	-	1,390,404
Receivables	-	-	-	-	-	71,255
Prepaids	-	-	-	-	-	14,735
Inventory	-	-	-	-	-	13,345
Total assets	$ 174,680	$ 611	$ 710,562	$ 8	$ 18	$ 32,848,372
Liabilities						
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ 1,161,252
Due to other funds	-	-	-	-	-	1,660,788
Unearned revenue	-	-	-	-	-	98,229
Total liabilities	-	-	-	-	-	2,920,269
Deferred inflow of resources						
Unavailable revenue	-	-	-	-	-	490,310
Fund balances						
Nonspendable:						
Prepaids	-	-	-	-	-	14,735
Inventory	-	-	-	-	-	13,345
Restricted	174,680	611	710,562	8	18	29,468,424
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(58,711)
Total fund balances	174,680	611	710,562	8	18	29,437,793
Total liabilities, deferred inflow of resources and fund balances	$ 174,680	$ 611	$ 710,562	$ 8	$ 18	$ 32,848,372

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2013

	Special Revenue Funds				
	County Transportation Fund	Florida Boating Improvement	Hidden Waters MSBU	County Alcohol and Other Drug Abuse	Court Facility
Revenues					
Taxes	$ 3,844,883	$ -	$ -	$ -	$ -
Licenses and permits	-	66,270	587	-	-
Intergovernmental	2,224,589	-	-	-	-
Charges for services	-	-	-	9,779	563,097
Fines and forfeitures	-	-	-	-	-
Miscellaneous	76,945	1,405	-	-	4,922
Total revenues	6,146,417	67,675	587	9,779	568,019
Expenditures					
Current:					
General government	-	55,880	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	8,162,698	-	11,282	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	210,000	-
Culture and recreation	-	-	-	-	-
Court costs	-	-	-	-	17,914
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	8,162,698	55,880	11,282	210,000	17,914
Excess of revenues over (under) expenditures	(2,016,281)	11,795	(10,695)	(200,221)	550,105
Other Financing Sources (Uses):					
Transfers in	3,113,499	-	5	202,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	3,113,499	-	5	202,000	-
Net change in fund balances	1,097,218	11,795	(10,690)	1,779	550,105
Fund balances – beginning of year	1,404,442	768,628	15,992	1,878	2,292,403
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ 2,501,660	$ 780,423	$ 5,302	$ 3,657	$ 2,842,508

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Special Revenue Funds				
	Law Enforcement Trust	Law Library	Tourist Development Trust	Second Dollar Sheriff Education	Free Library
Revenues					
Taxes	$ -	$ -	$ 490,249	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	71,804	-	32,169	-
Fines and forfeitures	111,154	-	-	-	83,601
Miscellaneous	579	-	1,264	-	1,425
Total revenues	111,733	71,804	491,513	32,169	85,026
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	332,204	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court costs	-	4,800	-	-	196,737
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	4,800	332,204	-	196,737
Excess of revenues over (under) expenditures	111,733	67,004	159,309	32,169	(111,711)
Other Financing Sources (Uses):					
Transfers in	26,567	-	4,946	9,162	-
Transfers out	(150,000)	(67,004)	-	(50,000)	-
Total other financing sources (uses)	(123,433)	(67,004)	4,946	(40,838)	-
Net change in fund balances	(11,700)	-	164,255	(8,669)	(111,711)
Fund balances – beginning of year	321,864	-	1,087,520	53,233	698,762
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ 310,164	$ -	$ 1,251,775	$ 44,564	$ 587,051

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Special Revenue Funds				
	Investigative Drug	Legal Aid Fees	SHIP	Florida Arts License Tag	Court Mediation
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	460,901	-	-
Charges for services	-	71,805	-	2,546	-
Fines and forfeitures	20,000	-	-	-	-
Miscellaneous	185	-	31,370	-	95
Total revenues	20,185	71,805	492,271	2,546	95
Expenditures					
Current:					
General government	-	-	9,584	-	-
Public safety	16,698	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	304,431	-	-
Human services	-	140,620	-	-	-
Culture and recreation	-	-	-	2,270	-
Court costs	-	-	-	-	12,648
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	16,698	140,620	314,015	2,270	12,648
Excess of revenues over (under) expenditures	3,487	(68,815)	178,256	276	(12,553)
Other Financing Sources (Uses):					
Transfers in	-	74,000	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	74,000	-	-	-
Net change in fund balances	3,487	5,185	178,256	276	(12,553)
Fund balances – beginning of year	108,510	6,789	751,941	2,144	55,230
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances – end of year	$ 111,997	$ 11,974	$ 930,197	$ 2,420	$ 42,677

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Special Revenue Funds				
	Oak Forest Road MSBU	Teen Court	CDBG Grant Fund	Student Driver Education	Municipal Service
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ 1,288,073
Licenses and permits	2,113	-	-	-	7,889
Intergovernmental	-	-	878,774	-	17,791
Charges for services	-	50,973	-	49,712	286,751
Fines and forfeitures	-	-	-	-	8,356
Miscellaneous	-	-	-	415	183,184
Total revenues	2,113	50,973	878,774	50,127	1,792,044
Expenditures					
Current:					
General government	-	-	-	-	787,515
Public safety	-	-	-	33,490	-
Physical environment	-	-	-	-	527,249
Transportation	24,826	-	-	-	-
Economic environment	-	-	1,112,707	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court costs	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	24,826	-	1,112,707	33,490	1,314,764
Excess of revenues over (under) expenditures	(22,713)	50,973	(233,933)	16,637	477,280
Other Financing Sources (Uses):					
Transfers in	19	327	-	-	100,000
Transfers out	-	(47,500)	-	-	-
Total other financing sources (uses)	19	(47,173)	-	-	100,000
Net change in fund balances	(22,694)	3,800	(233,933)	16,637	577,280
Fund balances – beginning of year	27,127	3,520	221,670	251,319	1,354,777
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances (deficit) – end of year	$ 4,433	$ 7,320	$ (12,263)	$ 267,956	$ 1,932,057

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Special Revenue Funds				
	Blue Jay MSBU	911 Wireless	State Court Local Requirements	Two Dollar Recording Fee	Crime Prevention Program
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
Licenses and permits	54,010	-	-	-	-
Intergovernmental	1,935	855,910	-	-	-
Charges for services	-	-	71,804	386,439	-
Fines and forfeitures	-	-	-	-	102,076
Miscellaneous	-	-	1,500	-	431
Total revenues	55,945	855,910	73,304	386,439	102,507
Expenditures					
Current:					
General government	-	-	-	-	-
Public safety	-	452,491	-	-	-
Physical environment	-	-	-	-	-
Transportation	102,876	-	-	-	-
Economic environment	-	-	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Court costs	-	-	191,967	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	102,876	452,491	191,967	-	-
Excess of revenues over (under) expenditures	(46,931)	403,419	(118,663)	386,439	102,507
Other Financing Sources (Uses):					
Transfers in	471	-	138,808	5,755	-
Transfers out	(9,300)	(200,000)	-	(285,531)	(100,000)
Total other financing sources (uses)	(8,829)	(200,000)	138,808	(279,776)	(100,000)
Net change in fund balances	(55,760)	203,419	20,145	106,663	2,507
Fund balances – beginning of year	16,363	1,091,499	832,298	224,346	233,422
Change in prepaids	-	-	-	-	-
Change in inventory	-	-	-	-	-
Fund balances (deficit) – end of year	$ (39,397)	$ 1,294,918	$ 852,443	$ 331,009	$ 235,929

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Special Revenue Funds			
	Juvenile Program	Building	Fire MSTU	Fire Inspection Fee Fund
Revenues				
Taxes	$ -	$ -	$ 3,659,443	$ -
Licenses and permits	-	1,879,371	-	-
Intergovernmental	-	-	198,023	-
Charges for services	71,804	-	-	85,005
Fines and forfeitures	-	-	-	-
Miscellaneous	-	25,549	7,335	-
Total revenues	71,804	1,904,920	3,864,801	85,005
Expenditures				
Current:				
General government	-	-	19,795	-
Public safety	-	1,770,856	3,512,274	58,015
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	1,770,856	3,532,069	58,015
Excess of revenues over (under) expenditures	71,804	134,064	332,732	26,990
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(71,804)	-	-	-
Total other financing sources (uses)	(71,804)	-	-	-
Net change in fund balances	-	134,064	332,732	26,990
Fund balances – beginning of year	-	2,929,132	714,715	50,482
Change in prepaids	-	-	-	-
Change in inventory	-	-	-	-
Fund balances – end of year	$ -	$ 3,063,196	$ 1,047,447	$ 77,472

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Inmate Welfare Fund	Sheriff Special Revenue	Clerk Fine and Forfeiture	Records Modern-ization
Revenues				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	2,601,425	-
Charges for services	-	-	772,869	119,552
Fines and forfeitures	-	3,276	165,053	129,574
Miscellaneous	296,584	1,198	15,423	678
Total revenues	296,584	4,474	3,554,770	249,804
Expenditures				
Current:				
General government	-	-	-	231,910
Public safety	376,054	570,636	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture and recreation	-	-	-	-
Court costs	-	286	2,955,575	167,136
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	376,054	570,922	2,955,575	399,046
Excess of revenues over (under) expenditures	(79,470)	(566,448)	599,195	(149,242)
Other Financing Sources (Uses):				
Transfers in	-	859,068	2,509	-
Transfers out	-	(266,953)	(574,858)	-
Total other financing sources (uses)	-	592,115	(572,349)	-
Net change in fund balances	(79,470)	25,667	26,846	(149,242)
Fund balances – beginning of year	320,598	250,332	199,373	444,618
Change in prepaids	-	-	2,532	-
Change in inventory	-	13,345		
Fund balances – end of year	$ 241,128	$ 289,344	$ 228,751	$ 295,376

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Special Revenue Funds					
	Information Technology	BCC Technology	CGD Supplementary Fee	Teen Court	Clay County Archives	Communications Tower
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	369,167	-	474	-	-	-
Fines and forfeitures	-	-	-	-	-	120,634
Miscellaneous	2,250	-	4	6,310	6,845	187
Total revenues	371,417	-	478	6,310	6,845	120,821
Expenditures						
Current:						
General government	-	-	-	-	3,064	-
Public safety	-	-	-	-	-	163,315
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court costs	437,032	263,412	267	3,364	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	437,032	263,412	267	3,364	3,064	163,315
Excess of revenues over (under) expenditures	(65,615)	(263,412)	211	2,946	3,781	(42,494)
Other Financing Sources (Uses):						
Transfers in	-	269,166	-	-	-	10,545
Transfers out	-	(5,754)	-	-	-	(115,000)
Total other financing sources (uses)	-	263,412	-	-	-	(104,455)
Net change in fund balances	(65,615)	-	211	2,946	3,781	(146,949)
Fund balances – beginning of year	267,414	-	4,171	21,762	3,768	139,898
Change in prepaids	-	-	-	-		-
Change in inventory			-	-	-	
Fund balances (deficit) – end of year	$ 201,799	$ -	$ 4,382	$ 24,708	$ 7,549	$ (7,051)

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Debt Service Funds			Capital Project Funds		
	Gas Tax Refunding Bonds	Special Assessment Bonds August 1, 1990	Surtax Revenue Bonds 2009	Transportation Impact Fee Fund	Additional Capital Improvement Fund	CIP Northeast Sector
Revenues						
Taxes	$ 805,923	$ 237	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	211,087
Intergovernmental	803,679	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	586	-	33,710	-	-	663
Total revenues	1,610,188	237	33,710	-	-	211,750
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Court costs	-	-	-	-	-	-
Debt service:						
Principal retirement	380,000	-	7,025,000	-	-	-
Interest and fiscal charges	11,780	-	2,434,575	-	-	-
Total expenditures	391,780	-	9,459,575	-	-	-
Excess of revenues over (under) expenditures	1,218,408	237	(9,425,865)	-	-	211,750
Other Financing Sources (Uses):						
Transfers in	391,780	1	9,459,575	-	-	-
Transfers out	(2,302,288)	(1,911)	-	(29)	(84)	-
Total other financing sources (uses)	(1,910,508)	(1,910)	9,459,575	(29)	(84)	-
Net change in fund balances	(692,100)	(1,673)	33,710	(29)	(84)	211,750
Fund balances – beginning of year	829,179	1,763	7,987,778	29	84	406,632
Change in prepaids	-	-	-	-	-	-
Change in inventory	-	-	-	-	-	-
Fund balances – end of year	$ 137,079	$ 90	$ 8,021,488	$ -	$ -	$ 618,382

(Continued)

Clay County, Florida

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Year Ended September 30, 2013

	Capital Projects Funds					
	CIP West Sector	Capital Equipment	Branan Field APF	Sidwalk Fund	Lake Asbury APF	Totals
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 10,088,808
Licenses and permits	-	-	-	-	-	2,221,327
Intergovernmental	-	-	-	-	-	8,043,027
Charges for services	-	-	-	-	-	3,015,750
Fines and forfeitures	-	-	-	-	-	743,724
Miscellaneous	264	-	1,462	-	-	702,768
Total revenues	264	-	1,462	-	-	24,815,404
Expenditures						
Current:						
General government	-	-	-	-	-	1,107,748
Public safety	-	-	-	-	-	6,953,829
Physical environment	-	-	-	-	-	527,249
Transportation	-	-	-	-	-	8,301,682
Economic environment	-	-	-	-	-	1,749,342
Human services	-	-	-	-	-	350,620
Culture and recreation	-	-	-	-	-	2,270
Court costs	-	-	-	-	-	4,251,138
Debt service:						-
Principal retirement	-	-	-	-	-	7,405,000
Interest and fiscal charges	-	-	-	-	-	2,446,355
Total expenditures	-	-	-	-	-	33,095,233
Excess of revenues over (under) expenditures	264	-	1,462	-	-	(8,279,829)
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	14,668,203
Transfers out	-	-	-	-	-	(4,248,016)
Total other financing sources (uses)	-	-	-	-	-	10,420,187
Net change in fund balances	264	-	1,462	-	-	2,140,358
Fund balances – beginning of year	174,416	611	709,100	8	18	27,281,558
Change in prepaids	-	-	-	-	-	2,532
Change in inventory	-	-	-			13,345
Fund balances – end of year	$ 174,680	$ 611	$ 710,562	$ 8	$ 18	29,437,793

Clay County, Florida

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2013

	Clerk of Circuit Court	Sheriff	Tax Collector	Totals
Assets				
Cash and cash equivalents	$ 4,079,215	$ 326,387	$ 2,461,334	$ 6,866,936
Receivables	2,106	35,066	11,584	48,756
Total assets	4,081,321	361,453	2,472,918	6,915,692
Liabilities				
Assets held for others	4,081,321	361,453	2,472,918	6,915,692
Net assets	$ -	$ -	$ -	$ -

Clay County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2013

Federal Agency	Federal CFDA Number	Contract Number	Expenditures	Program Totals
US Department of Agriculture				
Passed through Florida Forest Service:				
Volunteer Fire Assistance Grant	10.XXX	--	$ 7,176	$ 7,176
U.S. Department of Housing and Urban Development				
Passed through the Florida Department of Economic Opportunity:				
Fl Small Cities CDBG Grant Program	14.228	10DB-4X-04-20-01-F-07	448,047	
Fl Small Cities CDBG Grant Program	14.228	12-DB-Q5-04-20-01-F-01	664,660	
Fl Small Cities CDBG Grant Program	14.228	11-DB-C5-04-20-01-N15	328,870	1,441,577
U.S. Department of Justice				
Direct Assistance:				
Bulletproof Vest Control Program	16.607	--	5,188	5,188
COPS-CSPP	16.710	2011CSWX0008	32,598	32,598
JAG Local Solicitation	16.738	2010-DJ-BX-0666	74,844	
JAG Local Solicitation	16.738	2011-DJ-BX-3208	434	
Passed through Florida Department of Law Enforcement:				
Clay County Drug Task Force	16.738	2013JAGCCLAY1-D7-038	64,336	139,614
U.S. Department of Health and Human Services				
Passed through the Florida Department of Revenue:				
Child Support Enforcement	93.563	CSP10	12,428	
IV-D Reimbursement	93.563	FFY2010	2,509	14,937
U.S. Department of Homeland Security				
Direct Assistance:				
Assistance to Firefighter Grant	97.044	EMW-2010-FO-09965	20,542	
Assistance to Firefighter Grant	97.044	EMW-2011-FO-09159	125,372	145,914
Passed through the Florida Department of Economic Opportunity:				
Emergency Management Performance Grant	97.042	13-FG-86-04-20-01-077	63,881	
Emergency Management Performance Grant	97.042	14-FG-1M-04-20-01-077	338	64,219
SHSGP - Issue 7	97.067	12-DS-20-04-20-01-421	5,067	
SHSGP - Issue 10	97.067	12-DS-9Z-04-20-01-497	35,069	
FY 12 SHSGP - Issue 11	97.067	13-DS-97-04-20-01-378	720	
Passed through the Florida Department of Financial Services:				
SHSGP - HAZMAT	97.067	010-DS-39-13-00-16-414	11,938	
SHSGP - HAZMAT	97.067	11-DS-92-13-00-16-438	50,813	
SHSGP - HAZMAT	97.067	12-DS-20-13-00-16-5011	34,149	
SHSGP - HAZMAT	97.067	13-DS-97-13-00-16-409	3,384	141,140
Passed through the Florida Division of Emergency Management:				
Tropical Storm Debby	97.036	13-DB-73-04-20-02-525	732,672	732,672
U.S. Election Assistance Commission				
Passed through the Department of State - Division of Elections:				
HAVA Ballot on Demand	90.401	--	967	967
Federal Highway Administration				
Passed through Florida Department of Transportation:				
Emergency Local Government Emergency Relief Agreement	20.205	H2170	232,869	232,869
Total Expenditures of Federal Awards			$ 2,958,871	$ 2,958,871

(Continued)

Clay County, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2013

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	$ 15,136	
Emergency Management Preparedness Base Grant	31.063	13-BG-83-04-20-01-010	84,488	$ 99,624
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	017212	12,124	
Mosquito Control	42.003	018759	15,292	27,416
Florida Department of State and Secretary of State				
State Aid to Libraries	45.030	08-ST-11	677,562	
State Aid to Libraries	45.030	09-ST-09	97,229	
State Aid to Libraries	45.030	10-ST-09	475,209	1,250,000
Florida Housing Finance Corporation				
State Housing Initiatives Partnership	52.901	--	314,015	314,015
Florida Department of Transportation				
State Highway Project Reimbursement Program	55.023	AN691	51,887	
Traffic Signal Maintenance Agreement	55.023	AM593	65,841	117,728
NPDES - Phase II	55.024	ANA71	3,800	3,800
Florida Department of Health				
EMS Co. Grant	64.005	C0010	101,037	
EMS Co. Grant	64.005	C1010	20,091	121,128
Florida Department of Highway Safety				
Florida Arts License Plates	76.041	--	2,270	2,270
Total Expenditures of State Financial Awards			$ 1,935,981	$ 1,935,981

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, 2013. 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

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.

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

We have audited 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, 2013, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 14, 2014. We did not audit the financial statements of the Housing Finance Authority of Clay County, Florida. Those financial statements were audited by other auditors whose report thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Finance Authority of Clay County, Florida is based on the reports of the other auditors. Our report does not address their respective internal control or compliance.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of Stats, Local Governments and Non-Profit Organizations* and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and 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 Each Major Federal Program and State Project and Report on Internal Control over Compliance in Accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Florida Auditor General, and *Schedule of Findings and Questioned Costs*. Disclosures in those reports and schedule should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Florida Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the County complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve the County's financial management. In connection with our audit, we did not have any such recommendations.

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Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., 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 County's financial statements.

Section 10.554(1)(i)6.a., 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 that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the County for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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 14, 2014

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, 2013, 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 14, 2014. 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 14, 2014

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 each of the County's major federal programs and state projects for the year ended September 30, 2013. The County's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2013.

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Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and 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 14, 2014

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
97.036	Public Assistance Grants
97.044	Assistance to Firefighters Grants

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

Schedule of Findings and Questioned Costs (Continued)

State Financial Assistance

Internal control over major projects:				
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 projects:		Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General		Yes	X	No

Identification of major projects:

CSFA Number	Name of State Project or Cluster
45.030	State Aid to Libraries Grant
52.901	State Housing Initiative Partnership

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 Programs

There were no findings relative to the major federal programs.

Section IV – Findings and Questioned Costs – State Projects

There were no findings relative to the major state projects.

Clay County, Florida

Summary Schedule of Prior Audit Findings Relative to Financial Assistance

There were no prior audit findings.

Clay County, Florida

Clerk of the Circuit Court Audit Financial Report
September 30, 2013

McGladrey

Assurance ▪ Tax ▪ Consulting

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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, 2013, 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, 2013, 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, 2013, 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 31, 2014 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 31, 2014

Clay County, Florida, Clerk of the Circuit Court

Balance Sheet – Governmental Funds
September 30, 2013

Assets	General Fund	Fine and Forfeiture Fund	Records Modernization Fund	Information Technology Fund	Other Governmental Funds	Total Governmental Funds
Equity in pooled cash	$ 166,248	$ 891,204	$ 170,899	$ 181,153	$ 33,683	$ 1,443,187
Cash	-	-	-	-	24,708	24,708
Investments	-	-	134,871	27,151	1,152	163,174
Due from other governments	2,700	56,890	-	-	-	59,590
Prepaids	3,352	14,735	-	-	-	18,087
Total assets	$ 172,300	$ 962,829	$ 305,770	$ 208,304	$ 59,543	$ 1,708,746
Liabilities						
Accounts payable and accrued liabilities	$ 85,424	$ 59,034	$ 10,394	$ 6,505	$ 17,150	$ 178,507
Due to other governments	-	67,342	-	-	-	67,342
Due to other county agencies	83,524	574,858	-	-	5,754	664,136
Total liabilities	168,948	701,234	10,394	6,505	22,904	909,985
Deferred inflow of resources						
Unavailable revenue	-	32,844	-	-	-	32,844
Fund Balances						
Nonspendable	3,352	14,735	-	-	-	18,087
Restricted	-	214,016	295,376	201,799	36,639	747,830
Total fund balances	3,352	228,751	295,376	201,799	36,639	765,917
Total liabilities, deferred inflow of resources and fund balances	$ 172,300	$ 962,829	$ 305,770	$ 208,304	$ 59,543	$ 1,708,746

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, 2013

	General Fund	Fine and Forfeiture Fund	Records Modernization Fund	Information Technology Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental	$ -	$ 2,843,129	$ -	$ -	$ -	$ 2,843,129
Charges for services	1,201,356	772,869	119,552	369,167	474	2,463,418
Fines and forfeitures	-	165,053	129,574	-	-	294,627
Miscellaneous revenue	-	15,423	678	2,250	13,159	31,510
Total revenues	$ 1,201,356	$ 3,796,474	$ 249,804	$ 371,417	$ 13,633	$ 5,632,684
Expenditures						
General government services:						
Personal services	$ 741,859	$ -	$ -	$ -	$ -	$ 741,859
Operating expenditures	509,150	-	222,409	-	3,064	734,623
Capital outlay	181,330	-	9,501	-	-	190,831
Court related:						
Personal services	45,969	2,718,936	10,753	26,674	58,008	2,860,340
Operating expenditures	1,203	229,014	33,862	318,743	115,465	698,287
Capital outlay	-	7,625	122,521	91,615	109,935	331,696
Total expenditures	1,479,511	2,955,575	399,046	437,032	286,472	5,557,636
Excess (deficiency) of revenues over (under) expenditures	(278,155)	840,899	(149,242)	(65,615)	(272,839)	75,048
Other financing sources (uses)						
Transfer in – Appropriation from Board of County Commissioners	361,679	2,509	-	-	285,531	649,719
Transfer out – Reversion to Board of County Commissioners	(83,524)	(574,858)	-	-	(5,754)	(664,136)
Reversion to the Clerks of Court Operations Corporation	-	(241,704)	-	-	-	(241,704)
Total other financing sources (uses)	278,155	(814,053)	-	-	279,777	(256,121)
Net change in fund balances	-	26,846	(149,242)	(65,615)	6,938	(181,073)
Fund balances, October 1, 2012	3,960	199,373	444,618	267,414	29,701	945,066
Change in prepaid postage	(608)	2,532	-	-	-	1,924
Fund balances, September 30, 2013	$ 3,352	$ 228,751	$ 295,376	$ 201,799	$ 36,639	$ 765,917

See Notes to Financial Statements.

Clay County, Florida, Clerk of the Circuit Court

Statement of Fiduciary Net Position
September 30, 2013

Assets	Agency Funds
Equity in pooled cash	$ 1,564,523
Cash	2,514,692
Receivables	2,106
Total assets	4,081,321
Liabilities	
Assets held for others	3,957,846
Due to other county agencies	123,475
Total liabilities	4,081,321
Net position	$ -

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, 2013 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 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

The Office reports the following nonmajor governmental funds:

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

CGD Supplementary Fee – 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, 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, 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 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 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 in the general fund.

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 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 recorded in the County-wide financial statements. 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, 2013, are as follows:

	General Fund	Fine and Forfeiture Fund	Records Modernization Fund	Information Technology Fund	Other Governmental Funds	Total
Nonspendable-prepaid items	$ 3,352	$ 14,735	$ -	$ -	$ -	$ 18,087
Restricted for:						
Court operations	-	214,016	-	-	24,708	238,724
Court technology	-	-	-	201,799	-	201,799
Records modernization	-	-	295,376	-	-	295,376
Child support program	-	-	-	-	4,382	4,382
Archives	-	-	-	-	7,549	7,549
Total restricted	-	214,016	295,376	201,799	36,639	747,830
Total fund balances	$ 3,352	$ 228,751	$ 295,376	$ 201,799	$ 36,639	$ 765,917

Note 3. Investments

As of September 30, 2013, the Office's investment in FLGIT consists of the following:

Fund	Fair Value	Maturities		S&P Rating
		< 1 yr	< 5 yrs	
Records Modernization Trust Fund	$ 134,871	$ 46,207	$ 88,664	AAAf
Information Technology Fund	27,151	9,302	17,849	AAAf
CGD Supplementary Fee Fund	1,152	395	757	AAAf
Totals	$ 163,174	$ 55,904	$ 107,270	

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, 2012	Additions	Deductions	Balance September 30, 2013	Due Within One Year
Compensated absences	$ 401,000	$ 257,000	$ 249,000	$ 409,000	$ 305,000

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, 2012 through September 30, 2013 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, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%. 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, 2013, 2012 and 2011 were $213,456, $166,313 and $323,300, 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
2014	$	37,701
2015		38,832
2016		29,774
Total	$	106,307

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 $10,000 annually. For the year ended September 30, 2013, the Office incurred approximately $47,000 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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for services	$ 1,073,861	$ 1,173,861	$ 1,201,356	$ 27,495
Total revenues	1,073,861	1,173,861	1,201,356	27,495
Expenditures				
Current:				
General Government Services:				
Personal services	888,449	803,123	741,859	61,264
Operating expenditures	456,665	481,367	509,150	(27,783)
Capital outlay	58,926	203,550	181,330	22,220
Court Related:				
Personal services	45,403	45,969	45,969	-
Operating expenditures	2,097	1,531	1,203	328
Total expenditures	1,451,540	1,535,540	1,479,511	56,029
Excess (deficiency) of revenues over (under) expenditures	(377,679)	(361,679)	(278,155)	83,524
Other Financing Sources Uses				
Transfer in – Appropriation from Board of County Commissioners	377,679	361,679	361,679	-
Transfer out – Reversion to Board of County Commissioners	-	-	(83,524)	(83,524)
Total other financing sources (uses)	377,679	361,679	278,155	(83,524)
Net change in fund balance	-	-	-	-
Fund balance – October 1, 2012	-	-	3,960	3,960
Change in prepaid postage	-	-	(608)	(608)
Fund balance – September 30, 2013	$ -	$ -	$ 3,352	$ 3,352

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 3,585,451	$ 3,591,836	$ 2,843,129	$ (748,707)
Charges for services	-	-	772,869	772,869
Fines and forfeitures	-	-	165,053	165,053
Miscellaneous revenue	-	-	15,423	15,423
Total revenues	3,585,451	3,591,836	3,796,474	204,638
Expenditures:				
Court Related:				
Personal services	3,364,792	3,342,144	2,718,936	623,208
Operating expenditures	220,659	240,873	229,014	11,859
Capital outlay	-	8,819	7,625	1,194
Total expenditures	3,585,451	3,591,836	2,955,575	636,261
Excess of revenues over expenditures	-	-	840,899	840,899
Other Financing Sources (Uses)				
Transfer in – Appropriation from Board of County Commissioners	-	-	2,509	2,509
Transfer out – Reversion to the Board of County Commissioners	-	-	(574,858)	(574,858)
Reversion to the Clerks of Court Operations Corporation	-	-	(241,704)	(241,704)
Total other financing sources and uses	-	-	(814,053)	(814,053)
Net change in fund balance	-	-	26,846	26,846
Fund balance – October 1, 2012	-	-	199,373	199,373
Change in prepaid postage	-	-	2,532	2,532
Fund balance – September 30, 2013	$ -	$ -	$ 228,751	$ 228,751

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 101,200	$ 101,200	$ 119,552	$ 18,352
Fines and forfeitures	133,877	133,877	129,574	(4,303)
Miscellaneous revenue	-	-	678	678
Total revenues	235,077	235,077	249,804	14,727
Expenditures:				
General Government:				
Operating expenditures	340,100	340,100	222,409	117,691
Capital outlay	57,880	57,800	9,501	48,299
Court Related:				
Personal services	96,503	96,503	10,753	85,750
Operating expenditures	124,700	41,672	33,862	7,810
Capital outlay	58,435	141,463	122,521	18,942
Total expenditures	677,618	677,538	399,046	278,492
Excess (deficiency) of revenues over (under) expenditures	(442,541)	(442,461)	(149,242)	293,219
Fund balance – October 1, 2012	442,541	442,541	444,618	2,077
Fund balance – September 30, 2013	$ -	$ 80	$ 295,376	$ 295,296

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 – Information Technology Fund
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 317,655	$ 317,655	$ 369,167	$ 51,512
Miscellaneous revenue	-	-	2,250	2,250
Total revenues	317,655	317,655	371,417	53,762
Expenditures:				
Court Related:				
Personal services	86,753	86,753	26,674	60,079
Operating expenditures	398,000	374,000	318,743	55,257
Capital outlay	113,712	137,712	91,615	46,097
Total expenditures	598,465	598,465	437,032	161,433
Excess (deficiency) of revenues over (under) expenditures	(280,810)	(280,810)	(65,615)	215,195
Fund balance – October 1, 2012	280,810	280,810	267,414	(13,396)
Fund balance – September 30, 2013	$ -	$ -	$ 201,799	$ 201,799

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

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.

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, 2013

	BCC Technology Fund	CGD Supplementary Fee	Teen Court	Clay County Archives	Total
Assets					
Equity in pooled cash	$ 22,904	3,230	$ -	7,549	$ 33,683
Cash	-	-	24,708	-	24,708
Investments	-	1,152	-	-	1,152
Total assets	$ 22,904	$ 4,382	$ 24,708	$ 7,549	$ 59,543
Liabilities					
Accounts payable and accrued liabilities	$ 17,150	$ -	$ -	$ -	$ 17,150
Due to other county agencies	5,754	-	-	-	5,754
Total liabilities	22,904	-	-	-	22,904
Fund Balances					
Restricted	-	4,382	24,708	7,549	36,639
Total liabilities and fund balances	$ 22,904	$ 4,382	$ 24,708	$ 7,549	$ 59,543

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, 2013

	BCC Technology Fund	CGD Supplementary Fee	Teen Court	Clay County Archives	Total
Revenues					
Charges for services	$ -	$ 474	$ -	$ -	$ 474
Miscellaneous revenue	-	4	6,310	6,845	13,159
Total revenues	-	478	6,310	6,845	13,633
Expenditures					
General Government:					
Operating expenditures	-	-	-	3,064	3,064
Court Related:					
Personal services	58,008	-	-	-	58,008
Operating expenditures	111,834	267	3,364	-	115,465
Capital outlay	109,935	-	-	-	109,935
Total expenditures	279,777	267	3,364	3,064	286,472
Excess of revenues over (under) expenditures	(279,777)	211	2,946	3,781	(272,839)
Other financing sources (uses)					
Transfers in	285,531	-	-	-	285,531
Transfers out	(5,754)	-	-	-	(5,754)
Total other financing sources and uses	279,777	-	-	-	279,777
Net change in fund balances	-	211	2,946	3,781	6,938
Fund balances – October 1, 2012	-	4,171	21,762	3,768	29,701
Fund balances – September 30, 2013	$ -	$ 4,382	$ 24,708	$ 7,549	$ 36,639

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, 2013

	General Trust Fund	Central Government Depository (CGD) Fund	Registry of Court Fund	Jury Witness Fund	Total
Assets					
Equity in pooled cash	$ 1,554,625	$ 9,898	$ -	$ -	$ 1,564,523
Cash	3,960	-	2,509,002	1,730	2,514,692
Receivables	681	1,425	-	-	2,106
Total assets	1,559,266	11,323	2,509,002	1,730	4,081,321
Liabilities					
Assets held for others	1,435,791	11,323	2,509,002	1,730	3,957,846
Due to other county agencies	123,475	-	-	-	123,475
Total liabilities	1,559,266	11,323	2,509,002	1,730	4,081,321
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

We have audited 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 fiscal year ended September 30, 2013, and have issued our report thereon dated January 31, 2014, which was prepared to comply with State of Florida reporting requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and 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 31, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' report:

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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Office complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., 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)4., 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.

Sections 10.554(1)(i)5., 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.

Sections 10.554(1)(i)7., Rules of the Auditor General, requires a statement as to whether or not the clerk of the courts complied with the requirements of Sections 28.35 and 28.36, Florida Statutes. In connection with our audit, we determined that the clerk complied with such requirements.

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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 31, 2014

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, 2013, 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 31, 2014. 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.

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 certain 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 2013-1* 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.

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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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 31, 2014

Schedule of Findings and Reponses

2013-1 Review of Journal Entries

Criteria: A proper internal control environment allows for management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements that could have a material impact on the financial statements.

Condition: Journal entries posted to the ledger were not reviewed after posting to ensure that the journal entries were posted to the proper accounts.

Context: Misstatements were detected through our testing of journal entries posted to the ledger in conjunction with testing of other accounts. One entry posted a $26,844 receivable to revenue, however, the amount was received outside of the period of availability of 60 days and, therefore, should have been recorded as deferred revenue in the Fine and Forfeitures Fund. Another entry posted a transfer from the Clerk's investment account to another cash account in the amount of $120,000. There was an additional amount posted to beginning fund balance with an offset to miscellaneous revenue in the Records Modernization Fund, however, the movement of cash from one account to another is a balance sheet transaction and, therefore, should not have been posted to a revenue account.

Effect: By not identifying and correcting these entries; the liabilities of the Fine and Forfeitures Fund and revenues of the Records Modernization Fund were materially misstated.

Cause: The Office's procedures for recording journal entries did not require a second individual to review entries posted to the ledger.

Recommendation: We recommend that the Office review its policies and procedures related to the posting of journal entries and require an individual with knowledge of the applicable accounting standards to review journal entries posted to the general ledger. In addition, to further strengthen the Office's internal controls, we recommend that the bank reconciliations be reviewed after preparation.

Views of responsible officials and planned corrective actions: The Clerk's office recognizes the importance of correctly recording transactions to the general ledger to ensure accuracy of the financial statements. As a result, we have initiated a process by which non-standard journal entries will be reviewed, initialed, and dated by a second individual who has knowledge of applicable accounting standards.

Also, in order to strengthen internal controls, the Clerk's office will begin a process whereby bank reconciliations will be reviewed by a second individual on a periodic basis.

Clay County, Florida

Property Appraiser Audit Financial Report
September 30, 2013

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, 2013, 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 respective financial position of the major fund of the Office, as of September 30, 2013, 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.

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, 2013, 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 30, 2014 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 30, 2014

Clay County, Florida, Property Appraiser

General Fund
Balance Sheet
September 30, 2013

Assets		
Cash	$	159,215
Total assets	$	159,215
Liabilities and Fund Balances		
Liabilities:		
Accounts payable and accrued liabilities	$	643
Due to other governments		3,029
Due to other county agencies		155,543
Total liabilities		159,215
Fund balances:		
Unassigned		-
Total liabilities and fund balances	$	159,215

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, 2013

Revenues	
Charges for services	$ 46,087
Expenditures	
General government:	
Personal services	1,830,472
Operating expenditures	326,585
Capital outlay	14,902
Total expenditures	2,171,959
Excess (deficiency) of revenues over (under) expenditures	(2,125,872)
Other financing sources (uses):	
Transfer in – Appropriation from Board of County Commissioners	2,281,415
Transfer out – Reversion to Board of County Commissioners	(155,543)
Total other financing sources (uses)	2,125,872
Net change in fund balances	-
Fund balances – October 1, 2012	-
Fund balances – September 30, 2013	$ -

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, 2012 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 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 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 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 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. 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, 2012	Additions	Deductions	Balance September 30, 2013	Due Within One Year
Compensated absences	$ 327,000	$ 156,000	$ 132,000	$ 351,000	$ 175,000

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, 2012 through September 30, 2013 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, 2012 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; DROP 12.84%, Elected Officials 33.03%. 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, 2013, 2012 and 2011 were approximately $103,000, $84,000 and $165,000, 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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for services	$ 44,424	$ 44,424	$ 46,087	$ 1,663
Expenditures				
General Government:				
Personal services	1,822,707	1,902,107	1,830,472	71,635
Operating expenditures	372,093	377,193	326,585	50,608
Capital outlay	-	15,500	14,902	598
Total expenditures	2,194,800	2,294,800	2,171,959	122,841
Excess (deficiency) of revenues over (under) expenditures	(2,150,376)	(2,250,376)	(2,125,872)	124,504
Other financing sources (uses):				
Transfer in – Appropriation from Board of County Commissioners	2,281,415	2,281,415	2,281,415	-
Transfer out – Reversion to Board of County Commissioners	(131,039)	(31,039)	(155,543)	(124,504)
Total other financing sources (uses)	2,150,376	2,250,376	2,125,872	(124,504)
Net change in fund balances	-	-	-	-
Fund balances – October 1, 2012	-	-	-	-
Fund balances – September 30, 2013	$ -	$ -	$ -	$ -

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

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 year ended September 30, 2013, and have issued our report thereon dated January 30, 2014, which was prepared to comply with State of Florida reporting requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated January 30, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports:

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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Office complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., 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)4., Rules of the Auditor General, requires that we address violations of 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.

Section 10.554(1)(i)5., 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 the 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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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 30, 2014

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, 2013, 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 30, 2014. 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*.

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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 30, 2014

Clay County, Florida

Sheriff Audit Financial Report
September 30, 2013

McGladrey

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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, 2013, 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 funds and the aggregate remaining fund information of the Office, as of September 30, 2013, 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.

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

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, 2013, 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

Requires 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 30, 2014 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 30, 2014

Clay County, Florida, Sheriff

Governmental Funds
Balance Sheet
September 30, 2013

	General Fund	Other Governmental Fund	Non-major Governmental Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 2,026,222	$ 477,743	$ 230,086	$ 2,734,051
Accounts receivable	87,028	20,559	27,670	135,257
Due from other funds	6,278	-	-	6,278
Inventory	313,797	13,345	-	327,142
Total assets	$ 2,433,325	$ 511,647	$ 257,756	$ 3,202,728
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	$ 1,389,338	$ 19,710	$ 10,350	$ 1,419,398
Due to other funds	-	-	6,278	6,278
Due to other county agencies	730,190	202,593	-	932,783
Total liabilities	2,119,528	222,303	16,628	2,358,459
Fund balances:				
Nonspendable – inventory	313,797	13,345	-	327,142
Restricted:				
Special law enforcement	-	275,999	-	275,999
Benefit of inmates	-	-	241,128	241,128
Total fund balances	313,797	289,344	241,128	844,269
Total liabilities and fund balances	$ 2,433,325	$ 511,647	$ 257,756	$ 3,202,728

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, 2013

	General Fund	Other Governmental Fund	Non-major Governmental Fund	Total Governmental Funds
Revenues				
Fines and forfeitures	$ -	$ 3,276	$ -	$ 3,276
Miscellaneous	24,124	1,198	296,584	321,906
Total revenues	24,124	4,474	296,584	325,182
Expenditures				
Current:				
Public safety:				
Personal services	29,229,773	132,005	173,336	29,535,114
Operating expenditures	6,724,544	252,793	134,810	7,112,147
Capital outlay	1,409,261	185,838	67,908	1,663,007
Court costs:				
Personal services	907,143	-	-	907,143
Operating expenditures	75,242	286	-	75,528
Total expenditures	38,345,963	570,922	376,054	39,292,939
Deficiency of revenues under expenditures	(38,321,839)	(566,448)	(79,470)	(38,967,757)
Other financing sources (uses):				
Transfer in – Appropriation from Board of County Commissioners	38,957,246	859,068	-	39,816,314
Transfer out – Reversion to Board of County Commissioners	(635,407)	(266,953)	-	(902,360)
Total other financing sources (uses)	38,321,839	592,115	-	38,913,954
Net change in fund balances	-	25,667	(79,470)	(53,803)
Fund balances – October 1, 2012	327,498	250,332	320,598	898,428
Change in inventory	(13,701)	13,345	-	(356)
Fund balances – September 30, 2013	$ 313,797	$ 289,344	$ 241,128	$ 844,269

See Notes to Financial Statements.

Clay County, Florida, Sheriff

Statement of Fiduciary Net Positions
For the Year Ended September 30, 2013

	Agency Funds
Assets	
Cash and cash equivalents	$ 326,387
Accounts receivable	35,066
Total assets	361,453
Liabilities	
Assets held for others	312,857
Due to other county agencies	48,596
Total liabilities	361,453
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, 2013 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 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, 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	$	41,306
Radio parts		82,657
Armory weapons and ammunition		203,179
	$	327,142

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, all revenue 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 a subsequent note.

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. 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, 2012	Additions	Deductions	Balance September 30, 2013
Tangible personal property	$ 20,792,446	$ 2,050,029	$ 1,321,210	$ 21,521,265
Less accumulated depreciation	16,587,777	2,331,955	1,300,005	17,619,727
Total capital assets, net	$ 4,204,669	$ (281,926)	$ 21,205	$ 3,901,538

Depreciation expense of $2,331,955 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, 2012	Additions	Deductions	Balance September 30, 2013	Due Within One Year
Compensated absences	$ 6,225,559	$ 5,977,007	$ 5,752,157	$ 6,450,409	$ 5,159,000

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	$ 6,278	$ -
Non-major Governmental Fund	-	6,278
Totals	$ 6,278	$ 6,278

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, 2012 through September 30, 2013 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, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%. 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, 2013, 2012 and 2011 were approximately $3,251,110, $2,824,562 and $4,297,000, 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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Miscellaneous	$ -	$ -	$ 24,124	$ 24,124
Expenditures				
Public Safety:				
Personal services	29,738,193	29,658,193	29,229,773	428,420
Operating expenditures	6,769,584	6,769,091	6,724,544	44,547
Capital outlay	1,302,110	1,427,110	1,409,261	17,849
Court Costs:				
Personal services	1,027,610	1,027,610	907,143	120,467
Operating expenditures	31,636	75,242	75,242	-
Total expenditures	38,869,133	38,957,246	38,345,963	611,283
Excess (deficiency) of revenues over (under) expenditures	(38,869,133)	(38,957,246)	(38,321,839)	635,407
Other financing sources (uses):				
Transfer in – Appropriation from Board of County Commissioners	38,869,133	38,957,246	38,957,246	-
Transfer out – Reversion to Board of County Commissioners	-	-	(635,407)	(635,407)
Total other financing sources (uses)	38,869,133	38,957,246	38,321,839	(635,407)
Net change in fund balances	-	-	-	-
Fund balances – October 1, 2012	-	-	327,498	327,498
Change in inventory	-	-	(13,701)	(13,701)
Fund balances – September 30, 2013	$ -	$ -	$ 313,797	$ 313,797

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, 2013

	Court Costs	Law Enforcement	Corrections/ Detention	Total
Personal Services				
Executive salaries	$ -	$ 133,156	$ -	$ 133,156
Regular salaries and wages	734,331	17,315,530	5,858,782	23,908,643
Other salaries and wages	-	156,528	27,109	183,637
Overtime	-	96,988	67,280	164,268
Special pay	9,433	389,099	103,203	501,735
FICA taxes	56,306	1,328,333	439,927	1,824,566
Retirement contributions	99,385	2,329,109	822,617	3,251,110
Life and health benefits	7,688	122,291	37,071	167,051
Unemployment compensation	-	-	2,750	2,750
Total personal services	907,143	21,871,034	7,358,739	30,136,916
Operating Expenditures:				
Professional services – inmate medical	-	-	861,570	861,570
Professional services – other	1,474	38,106	12,654	52,234
Contractual services – inmate food	-	-	563,396	563,396
Contractual services – licenses and support	2,563	499,531	47,455	549,549
Contractual services – other	47,326	80,807	46,536	174,669
Investigations	-	25,086	-	25,086
Travel and per diem	352	72,901	8,885	82,138
Communication services	788	462,128	46,715	509,631
Freight and postage	19	27,094	2,655	29,768
Utility services	-	1,744	-	1,744
Rentals and leases	-	101,341	11,192	112,533
Insurance	11,535	678,931	131,925	822,391
Repair and maintenance services	65	435,280	11,168	446,513
Printing and binding	-	7,865	-	7,865
Promotional activities – advertising	-	19,284	637	19,921
Other current charges and obligations	-	22,811	699	23,510
Office supplies and materials	-	116,777	6,989	123,766
Operating supplies and materials	9,834	1,605,058	524,782	2,139,674
Dues, memberships, subscriptions and books	39	17,916	533	18,488
Training and education	1,247	205,337	28,756	235,340
Total operating expenditures	75,242	4,417,997	2,306,547	6,799,786
Capital Outlay:				
Data processing equipment	-	156,263	-	156,263
Machinery and equipment	-	242,210	33,632	275,842
Vehicles	-	956,990	20,166	977,156
Total capital outlay	-	1,355,463	53,798	1,409,261
Total expenditures	$ 982,385	$ 27,644,494	$ 9,719,084	$ 38,345,963

Clay County, Florida, Sheriff

Combining Statement of Fiduciary Net Positions
Agency Funds
For the Year Ended September 30, 2013

	Depositors Fund	Levy Fund	Seized Assets Fund	Inmate Fund	Total Agency Funds
Assets					
Cash and cash equivalents	$ 46,905	$ 1,669	$ 263,463	$ 14,350	$ 326,387
Accounts receivable	16,311	-	-	18,755	35,066
Total assets	63,216	1,669	263,463	33,105	361,453
Liabilities					
Assets held for others	14,830	1,669	263,463	32,895	312,857
Due to other county agencies	48,386	-	-	210	48,596
Total liabilities	63,216	1,669	263,463	33,105	361,453
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

We have audited the financial statements of the major funds and 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, 2013, and have issued our report thereon dated January 30, 2014, which was prepared to comply with State of Florida reporting requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated January 30, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports:

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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Office complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., 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)4., Rules of the Auditor General, requires that we address violations of 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.

Section 10.554(1)(i)5., 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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Office's financial statements.

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 30, 2014

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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 the major funds, 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, 2013, 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 30, 2014. 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 30, 2014

Clay County, Florida

Supervisor of Elections Audit Financial Report
September 30, 2013

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Assurance ▪ Tax ▪ Consulting

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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, 2013, 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, 2013, 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 10.557(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, 2013, 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 30, 2014 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 30, 2014

Clay County, Florida, Supervisor of Elections

Governmental Fund
Balance Sheet
September 30, 2013

Assets		**General Fund**
Cash	$	277,269
Total assets	$	277,269
Liabilities and Fund Balance		
Liabilities:		
Accounts payable and accrued liabilities	$	10,891
Due to other county agencies		149,307
Total liabilities		160,198
Fund balance:		
Restricted – election grants		117,071
Total liabilities and fund balance	$	277,269

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, 2013

	General Fund
Revenues	
Intergovernmental revenue	$ 35,616
Miscellaneous revenue	4,787
Total revenues	40,403
Expenditures	
General government:	
Personal services	754,656
Operating expenditures	426,221
Capital outlay	12,994
Total expenditures	1,193,871
Excess (deficiency) of revenues over (under) expenditures	(1,153,468)
Other financing sources (uses):	
Transfer in – Appropriation from Board of County Commissioners	1,338,628
Transfer out – Reversion to Board of County Commissioners	(148,358)
Total other financing sources (uses)	1,190,270
Net change in fund balance	36,802
Fund balance – October 1, 2012	80,269
Fund balance – September 30, 2013	$ 117,071

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, 2013 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, 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. 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. 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, 2012	Additions	Deductions	Balance September 30, 2013	Due Within One Year
Compensated absences	$ 32,700	$ 17,100	$ (12,800)	$ 37,000	$ 12,800

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, 2012 through September 30, 2013 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, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; Elected Officials 33.03%. 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, 2013, 2012 and 2011 were $46,556, $35,040 and $68,889, 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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental revenue	$ -	$ -	$ 35,616	$ 35,616
Miscellaneous revenue	-	-	4,787	4,787
Total revenues	-	-	40,403	40,403
Expenditures				
General government:				
Personal services	792,943	792,943	754,656	38,287
Operating expenditures	538,685	538,685	426,221	112,464
Capital outlay	7,000	7,000	12,994	(5,994)
Total expenditures	1,338,628	1,338,628	1,193,871	144,757
Excess (deficiency) of revenues over (under) expenditures	(1,338,628)	(1,338,628)	(1,153,468)	185,160
Other financing sources (uses):				
Transfer in - Appropriation from Board of County Commissioners	1,338,628	1,338,628	1,338,628	-
Transfer out - Reversion to Board of County Commissioners	-	-	(148,358)	(148,358)
Total other financing sources (uses)	1,338,628	1,338,628	1,190,270	(148,358)
Net change in fund balance	-	-	36,802	36,802
Fund balance – October 1, 2012	-	-	80,269	80,269
Fund balance – September 30, 2013	$ -	$ -	$ 117,071	$ 117,071

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

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, 2013, and have issued our report thereon dated January 30, 2014, which was prepared to comply with State of Florida reporting requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and 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 30, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' report:

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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Office complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., 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)4., 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.

Sections 10.554(1)(i)5., 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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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 30, 2014

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, 2013, 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 30, 2014. 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.

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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 30, 2014

Clay County, Florida

Tax Collector Audit Financial Report
September 30, 2013

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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, 2013, 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, 2013, 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, 2013, 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 _____ 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 28, 2014

Clay County, Florida, Tax Collectors

Governmental Funds
Balance Sheet
September 30, 2013

Assets		**General Fund**
Cash	$	1,426,670
Total assets	$	1,426,670
Liabilities and Fund Balances		
Liabilities:		
Due to other county agencies	$	1,407,691
Due to other governments		18,979
Total liabilities		1,426,670
Fund balances		-
Total liabilities and fund balances	$	1,426,670

See Notes to Financial Statements.

Clay County, Florida, Tax Collector

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2013

	General Fund
Revenues	
Charges for services	$ 4,882,563
Miscellaneous revenues	43,695
Total revenues	4,926,258
Expenditures	
General government services:	
Personal services	2,723,682
Operating expenditures	714,894
Capital outlay	79,991
Total expenditures	3,518,567
Excess of revenues over expenditures	1,407,691
Other financing sources (uses):	
Transfer out – Reversion to Board of County Commissioners	(1,407,691)
Total other financing sources (uses)	(1,407,691)
Net change in fund balances	-
Fund balances – October 1, 2012	-
Fund balances – September 30, 2013	$ -

See Notes to Financial Statements.

Clay County, Florida, Tax Collector

Statement of Fiduciary Net Positions
For the Year Ended September 30, 2013

	Agency Funds
Assets	
Cash	$ 2,461,334
Receivables	11,584
Total assets	2,472,918
Liabilities	
Assets held for others	2,472,918
Total liabilities	2,472,918
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, 2013 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, 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 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 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.

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. 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, 2012	Additions	Deductions	Balance September 30, 2013	Due Within One Year
Compensated absences	$ 459,000	$ 133,000	$ 186,000	$ 406,000	$ 118,000

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, 2012 through September 30, 2012 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, 2013 were as follows: Regular Employees 6.95%; Special Risk Employees 19.06%; Senior Management 18.31%; DROP 12.84%; Elected Officials 33.03%. 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, 2013, 2012 and 2011 were approximately $137,000, $104,000 and $207,000, 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
2014	$ 78,882
2015	69,712
2016	47,395
Total	$ 195,989

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, 2013, the Office incurred approximately $100,000 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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Charges for services	$ 3,617,267	$ 3,617,267	$ 4,882,563	$ 1,265,296
Miscellaneous revenues	-	-	43,695	43,695
Total revenues	3,617,267	3,617,267	4,926,258	1,308,991
Expenditures				
General government services:				
Personal services	2,733,581	2,733,581	2,723,682	9,899
Operating expenditures	782,478	782,478	714,894	67,584
Capital outlay	101,208	101,208	79,991	21,217
Total expenditures	3,617,267	3,617,267	3,518,567	98,700
Excess of revenues over expenditures	-	-	1,407,691	1,407,691
Other financing sources (uses):				
Transfer out – Reversion to Board of County Commissioners	-	-	(1,407,691)	(1,407,691)
Net change in fund balances	-	-	-	-
Fund balances – October 1, 2012	-	-	-	-
Fund balances – September 30, 2013	$ -	$ -	$ -	$ -

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, 2013

	General Property Taxes	Vehicle Tags	Sports Licenses	Drivers Licenses	Total
Assets					
Cash	$ 2,423,048	$ 38,286	$ -	$ -	$ 2,461,334
Receivables	-	11,584	-	-	11,584
Total assets	2,423,048	49,870	-	-	2,472,918
Liabilities					
Assets held for others	2,423,048	49,870	-	-	2,472,918
Total liabilities	2,423,048	49,870	-	-	2,472,918
Net positions	$ -	$ -	$ -	$ -	$ -

ADDITIONAL ELEMENTS REQUIRED BY THE RULES OF THE AUDITOR GENERAL

McGladrey

Management Letter

The Honorable Jimmy Weeks
Tax Collector
Clay County, Florida

We have audited the financial statements of the major fund and 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, 2013, and have issued our report thereon dated January 28, 2014, which was prepared to comply with State of Florida reporting requirements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated January 28, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports:

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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Office complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., 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)4., Rules of the Auditor General, requires that we address violations of 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.

Section 10.554(1)(i)5., 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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the Office's financial statements.

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 28, 2014

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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, 2013, 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 28, 2014. 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 28, 2014