

UNION COUNTY, FLORIDA
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2014

**Financial Statements
and
Independent Auditors' Report**

Union County, Florida

September 30, 2014

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Union County, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our (1) unmodified audit opinion on each major fund and the aggregate remaining fund information; and (2) qualified audit opinion on the governmental activities.

Basis for Qualified Opinion on Governmental Activities

Management has not acquired an actuarial valuation to determine the amount of its OPEB (Other Postemployment Benefits) liability and has not presented such liability in its government-wide financial statements as required by accounting principles generally accepted in the United States of America. The impact of such departure from generally accepted accounting principles on the liabilities, net position and expenses of the government-wide financial statements of Union County, Florida is unknown. Such departure has no impact on Union County, Florida's fund financial statements.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on the governmental activities, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Union County, Florida, as of September 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Major Funds and Aggregate Remaining Fund Information

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Union County, Florida's basic financial statements. The supplemental information, schedule of expenditures of federal awards and state financial assistance, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; Section 215.97, Florida Statutes, *Florida Single Audit Act*; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2015 on our consideration of Union County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union County, Florida's internal control over financial reporting and compliance.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

Management's Discussion and Analysis (Unaudited)

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

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

Financial Highlights

- The assets of the County exceeded its liabilities at September 30, 2014 by \$16,980,112 (net position). Of this amount \$886,121 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's long-term debt obligations decreased by \$340,340.
- As of September 30, 2014, the County's governmental funds reported combined ending fund balances of \$3,398,550. Fund balances saw a decrease of \$309,633 when compared to the prior year. Three funds reported negative fund balances totaling \$86,189.
- The County purchased capital assets of buildings, equipment, vehicles and library materials in the amount of \$626,896.

Using This Annual Report

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

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

Government-Wide Financial Statements

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

Management's Discussion and Analysis (Unaudited)

Government-Wide Financial Statements (concluded)

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term

Management's Discussion and Analysis (Unaudited)

Governmental Funds (concluded)

inflows and outflows of spending resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the major funds. Information is presented for the non-major funds in the Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances.

The County adopts an annual appropriated budget for all of its governmental funds, as required by state law. The County has six major governmental funds. A listing and description of the

major funds is provided in the notes to financial statements. Budgetary comparison statements have been provided for the major funds to demonstrate compliance with the budget. In addition, the financial statements provide budget to actual comparisons for the non-major funds.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found following this discussion.

Management's Discussion and Analysis (Unaudited)

Government-Wide Financial Analysis - Statement of Net Position

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

	Governmental Activities	
	2014	2013
Assets:		
Current and Other Assets	\$ 4,481,596	\$ 5,418,214
Capital Assets	<u>14,637,968</u>	<u>15,285,564</u>
Total Assets	19,119,564	20,703,778
Liabilities:		
Long-Term Liabilities Outstanding	1,198,218	1,538,558
Other Liabilities	<u>941,232</u>	<u>1,652,983</u>
Total Liabilities	<u>2,139,450</u>	<u>3,191,541</u>
Net Position:		
Net Investment in Capital Assets	14,028,961	14,548,803
Restricted	2,065,030	2,486,875
Unrestricted	<u>886,121</u>	<u>476,559</u>
Total Net Position	<u>\$ 16,980,112</u>	<u>\$ 17,512,237</u>

Approximately 83% percent of the County's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the remaining balance, \$886,121 is unrestricted net position that may be used to meet the County's ongoing obligations to citizens and creditors and \$2,065,030 is restricted net position that is constrained by grant agreements, Florida Statutes or enabling legislation. Unrestricted net position increased over the prior year by \$409,562 primarily due to general fund revenues being greater than those budgeted and general fund expenditures being less than those budgeted creating a positive increase in net position. Additionally, there was a decrease in non-capital asset related debt of the general fund in 2014 over prior years. A decrease in restricted net position of \$421,845 is primarily due to deficit positions in the Emergency Medical Services and Landfill Long-Term Care Funds. At September 30, 2014, the County is able to report positive balances in all three categories of net position.

**Management's Discussion and Analysis
(Unaudited)**

Government-Wide Financial Analysis - Statement of Net Position (concluded)

Significant decreases, when compared to the prior year, in other liabilities shown on the previous page and capital grants shown on the Statement of Activities on the following page, relate to a decrease in accounts payable and revenue balances attributable to the County having completed two road paving capital projects that are reimbursed through grants awarded by the Florida Department of Transportation.

Government-Wide Financial Analysis - Statement of Activities

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

	Governmental Activities	
	2014	2013
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,534,273	\$ 1,635,273
Operating Grants and Contributions	1,735,527	717,172
Capital Grants and Contributions	-	1,974,604
General Revenues:		
Property Taxes	2,174,315	2,137,625
Other Taxes	1,369,907	1,378,216
Other Revenues	3,629,588	4,458,332
Total Revenues	10,443,610	12,301,222
Expenses:		
General Government	1,956,378	1,931,680
Public Safety	4,618,584	4,584,762
Physical Environment	689,828	974,676
Economic Environment	416,130	130,854
Transportation	1,757,493	1,465,375
Human Services	385,461	294,407
Culture and Recreation	298,346	288,610
Court Related	828,901	821,565
Interest on Long-Term Debt	24,614	34,216
Total Expenses	10,975,735	10,526,145
Changes in Net Position	(532,125)	1,775,077
Net Position - October 1	17,512,237	15,737,160
Net Position - September 30	\$ 16,980,112	\$ 17,512,237

Management's Discussion and Analysis (Unaudited)

Financial Analysis of the County's Funds

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements.

As of September 30, 2014, the County's governmental funds reported combined ending fund balances of \$3,398,550 an increase of \$309,633 in comparison with the prior year. Of the ending fund balance, \$911,470 is considered unassigned and can be spent at the discretion of the Board and \$2,277,472 is considered restricted, which represents the ending fund balances of the County's special revenue funds and court related IV-D grant reimbursements.

The General Fund is the chief operating fund of the County. At September 30, 2014, the unassigned fund balance of the General Fund was \$997,659. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17% of total General Fund expenditures. As of September 30, 2014, the fund balance of the General Fund increased by \$500,046 when compared to the prior fiscal year ending fund balance due to increases in revenue.

The Local Housing Assistance Fund is used to account for revenues and expenditures associated with repairing low and moderate income homes. Also, the funds can be used to assist with down payments in purchasing new homes. During the current fiscal year the fund balance of the Local Housing Assistance Fund decreased by \$18,042. This fund has a positive ending fund balance of \$269.

The Emergency Medical Services (EMS) Fund is used to account for revenues and expenditures related to ambulance services for county residents. During the current fiscal year the Emergency Medical Service's fund balance decreased by \$365,119. The decrease can be attributed to an increase in the estimated amount of uncollectable accounts receivable. The ending fund balance of the EMS Fund was \$(59,211).

The Special Law Enforcement Trust Fund is used to account for revenues and expenditures associated with the collection of forfeitures used to improve the County's Sheriff Department. The Special Law Enforcement Trust fund balance increased during the fiscal year by \$97,819. This increase is attributed to no expenditures, other than bank service fees, being made during the fiscal year. The Special Law Enforcement Fund had an ending fund balance of \$1,137,331.

Management's Discussion and Analysis (Unaudited)

Financial Analysis of the County's Funds (continued)

The Transportation Trust Fund is used to account for all revenues and expenditures for the County's transportation system. During the fiscal year, the fund balance of the Transportation Trust Fund increased \$59,786. The fund balance in the Transportation Trust Fund was \$267,457 at year end.

The Five-Cent Gas Tax Fund is used to account for proceeds from gas taxes and to account for street paving grants received from the Florida Department of Transportation. Fund balance decreased \$174,559 due to a transfer to the Transportation Trust Fund to aid in road repairs. The fund balance in Five-Cent Gas Tax was \$191,483 at year end.

General Fund Budgetary Highlights

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

Actual expenditures in the general fund were \$355,891 less than final budget amounts. The main reason for this is conservative spending.

Capital Assets

The County's investment in capital assets for its governmental type activities as of September 30, 2014 amounted to \$14,637,968 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, infrastructure, vehicles and equipment.

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

- The County purchased a new communications system for the Sheriff with a cost of \$39,800.
- The Tax Collector purchased a new server in the amount of \$27,000.
- The Sheriff purchased three vehicles for a total cost of \$76,196.
- The County completed construction on a new Transit Facility building; final costs were \$415,070. Additionally, construction on CR-240 east and west was completed during the year. Total paving costs were \$1,161,380.

Management's Discussion and Analysis (Unaudited)

Financial Analysis of the County's Funds (concluded)

The following is a summary of the County's Capital Assets (net of depreciation):

	Governmental Activities	
	2014	2013
Land	\$ 1,077,564	\$ 1,069,356
Buildings and Improvements	3,989,421	3,702,229
Infrastructure - Roads	7,577,364	6,899,757
Vehicles	640,970	774,475
Library Materials	79,623	79,972
Machinery and Equipment	1,043,185	1,078,894
Assets Under Capital Lease	229,841	406,451
Construction in Progress	-	1,274,430
Total	\$ 14,637,968	\$ 15,285,564

Additional information on the County's capital assets can be found in the Notes to the Financial Statements in this report.

Long-Term Debt

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

	Governmental Activities	
	2014	2013
Compensated Absences	\$ 377,532	\$ 378,521
Landfill Long-Term Costs	211,679	278,067
Capital Lease Obligations	368,001	402,543
Notes Payable	241,006	479,427
Total	\$ 1,198,218	\$ 1,538,558

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

Economic Factors and Next Year's Budget

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

Management's Discussion and Analysis (Unaudited)

Economic Factors and Next Year's Budget (concluded)

For the budget year 2014, the County's property tax based experienced an increase compared to fiscal year 2013. While the real estate outlook is improving, the County continues to face budget challenges that are created by the slow recovery of the economy. In response, the County continues to reduce expenditures. However, the County has been able to avoid employee layoffs thus far. The County will continue to monitor revenue streams and adjust expenditures, as necessary.

Requests for Information

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

**Government-Wide
Financial Statements**

**Statement of Net Position
September 30, 2014
Union County, Florida**

	<u>Governmental Activities</u>
Assets	
Cash and Equivalents	\$ 2,708,093
Investments	729,706
Accounts Receivables, Net	139,861
Due from Other Governments	735,722
Due from Fiduciary Activities	24,914
Due from Retirees	1,488
Prepaid Expenses	141,812
Capital Assets:	
Non-Depreciable	1,077,564
Depreciable, Net	<u>13,560,404</u>
Total Assets	19,119,564
Liabilities	
Accounts Payable and Accrued Liabilities	446,296
Due to Other Governments	48,958
Unearned Revenue	445,978
Noncurrent Liabilities:	
Due Within One Year	318,308
Due in More Than One Year	<u>879,910</u>
Total Liabilities	<u>2,139,450</u>
Net Position	
Net Investment in Capital Assets	14,028,961
Restricted for:	
Public Safety	1,246,363
Economic Environment	269
Transportation	409,899
Culture and Recreation	52,306
Court Related	356,193
Unrestricted	<u>886,121</u>
Total Net Position	<u>\$ 16,980,112</u>

The notes to financial statements are integral to this statement

Statement of Activities
For the Year Ended September 30, 2014
Union County, Florida

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Asset
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					Governmental Activities
General Government	\$ 1,956,378	\$ 523,611	\$ 7,474	\$ -	\$ (1,425,293)
Public Safety	4,618,584	819,759	459,750	-	(3,339,075)
Physical Environment	689,828	171,540	90,909	-	(427,379)
Economic Environment	416,130	-	354,360	-	(61,770)
Transportation	1,757,493	5,319	279,983	-	(1,472,191)
Human Services	385,461	-	-	-	(385,461)
Culture and Recreation	298,346	-	96,099	-	(202,247)
Court Related	828,901	14,044	446,952	-	(367,905)
Interest on Long-Term Debt	24,614	-	-	-	(24,614)
Total	\$ 10,975,735	\$ 1,534,273	\$ 1,735,527	\$ -	(7,705,935)
General Revenues:					
					2,174,315
					486,698
					818,347
					64,862
					534,582
					2,827,973
					107,660
					159,373
Total General Revenues					7,173,810
Change in Net Assets					(532,125)
Net Position - Beginning of Year					17,512,237
Net Position - End of Year					\$ 16,980,112

The notes to financial statements are integral to this statement

**Fund Financial
Statements**

Balance Sheet
Governmental Activities
September 30, 2014
Union County, Florida

	Major Funds							Totals
	General Fund	Local Housing Assistance Trust	Emergency Medical Services	Special Law Enforcement	Transportation Trust	Five-Cent Gas Tax	Non-Major Funds	
Assets								
Cash and Equivalents	\$ 982,239	\$ 441,960	\$ 59,109	\$ 429,244	\$ 258,869	\$ 150,230	\$ 386,442	\$ 2,708,093
Investments	21,619	-	-	708,087	-	-	-	729,706
Accounts Receivable	815	-	128,881	-	-	-	10,165	139,861
Due From Other Governments	542,204	-	-	-	52,416	66,523	74,579	735,722
Due From Other Funds	238,363	264	-	-	119	-	18,250	256,996
Due From Retirees	1,488	-	-	-	-	-	-	1,488
Total Assets	\$ 1,786,728	\$ 442,224	\$ 187,990	\$ 1,137,331	\$ 311,404	\$ 216,753	\$ 489,436	\$ 4,571,866
Liabilities and Fund Balances								
Liabilities								
Accounts Payable and Accrued Expenses	\$ 260,746	\$ 17,624	\$ 31,341	\$ -	\$ 43,947	\$ 25,270	\$ 67,370	\$ 446,298
Due to Other Governments	48,958	-	-	-	-	-	-	48,958
Due to Other Funds	15,958	-	215,860	-	-	-	264	232,082
Unearned Revenue	-	424,331	-	-	-	-	21,647	445,978
Total Liabilities	325,662	441,955	247,201	-	43,947	25,270	89,281	1,173,316
Fund Balances								
Restricted	307,099	269	-	1,137,331	267,457	191,483	373,833	2,277,472
Assigned	156,308	-	-	-	-	-	53,300	209,608
Unassigned	997,659	-	(59,211)	-	-	-	(26,978)	911,470
Total Fund Balances	1,461,066	269	(59,211)	1,137,331	267,457	191,483	400,155	3,398,550
Total Liabilities and Fund Balances	\$ 1,786,728	\$ 442,224	\$ 187,990	\$ 1,137,331	\$ 311,404	\$ 216,753	\$ 489,436	\$ 4,571,866

The notes to financial statements are integral to this statement.

**Reconciliation of the Balance Sheet
to the Statement of Net Position
September 30, 2014
Union County, Florida**

Total Fund Balances - Governmental Funds	\$	3,398,550
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital Assets used in governmental activities are not financial resources and, therefore, not reported in the fund financial statements		14,637,968
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Expenditures relating to future periods are charged to the period in which it was paid (Prepaid Expenses)		141,812
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Long-Term Liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements. These liabilities are:

Notes Payable	\$	(241,006)	
Capital Leases		(368,001)	
Long-Term Monitoring of Landfill		(211,679)	
Compensated Absences		<u>(377,532)</u>	
 Total Long-Term Liabilities			 <u>(1,198,218)</u>

Total Net Position of Governmental Activities	\$	<u><u>16,980,112</u></u>
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The notes to financial statements are integral to this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2014
Union County, Florida

	Major Funds							Non-Major Funds	Totals
	General Fund	Local Housing Assistance Trust	Emergency Medical Services	Special Law Enforcement	Transportation Trust	Five-Cent Gas Tax			
Revenues									
Taxes	\$ 2,618,615	\$ -	\$ -	\$ -	\$ 454,395	\$ 363,952	\$ 107,260	\$ 3,544,222	
Licenses and Permits	51,692	-	195,485	-	-	-	287,405	534,582	
Intergovernmental	2,974,242	346,617	20,129	-	3,233	274,795	514,484	4,133,500	
Charges for Services	523,611	-	815,272	-	5,319	-	190,071	1,534,273	
Fines and Forfeitures	-	-	-	93,298	-	-	14,362	107,660	
Miscellaneous Revenues	72,075	318	40,593	4,521	2,097	-	43,330	162,934	
Total Revenues	6,240,235	346,935	1,071,479	97,819	465,044	638,747	1,156,912	10,017,171	
Expenditures									
Current:									
General Government	1,881,919	-	-	-	-	-	-	1,881,919	
Public Safety	2,403,577	-	1,720,162	-	-	-	433,381	4,557,120	
Physical Environment	158,203	-	-	-	-	-	870,105	1,028,308	
Economic Environment	55,780	352,343	-	-	-	-	8,007	416,130	
Transportation	1,955	-	-	-	874,436	300,064	-	1,176,455	
Human Services	364,941	-	-	-	-	-	-	364,941	
Culture and Recreation	31,507	-	-	-	-	-	226,525	258,032	
Court Related	728,707	-	-	-	-	-	243	728,950	
Debt Service:									
Principal	208,025	-	13,011	-	31,413	-	20,514	272,963	
Interest	7,299	-	1,484	-	12,651	-	3,180	24,614	
Total Expenditures	5,841,913	352,343	1,734,657	-	918,500	300,064	1,561,955	10,709,432	
Excess of Revenues Over (Under) Expenditures	398,322	(5,408)	(663,178)	97,819	(453,456)	338,683	(405,043)	(692,261)	
Other Financing Sources (Uses)									
Contribution from Joint Venture	100,000	-	-	-	-	-	330,000	430,000	
Transfers In	360,700	-	311,604	-	513,242	-	34	1,185,580	
Transfers Out to Others	(47,372)	-	-	-	-	-	-	(47,372)	
Transfers Out	(311,604)	(12,634)	(13,545)	-	-	(513,242)	(334,555)	(1,185,580)	
Total Other Financing Sources (Uses)	101,724	(12,634)	298,059	-	513,242	(513,242)	(4,521)	382,628	
Net Change in Fund Balances	500,046	(18,042)	(365,119)	97,819	59,786	(174,559)	(409,564)	(309,633)	
Fund Balances - 10/1/2013	961,020	18,311	305,908	1,039,512	207,671	366,042	809,719	3,708,183	
Fund Balances - 9/30/2014	\$ 1,461,066	\$ 269	\$ (59,211)	\$ 1,137,331	\$ 267,457	\$ 191,483	\$ 400,155	\$ 3,398,550	

The notes to financial statements are integral to this statement.

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
For the Year Ended September 30, 2014
Union County, Florida**

Net Change in Fund Balances - Governmental Funds \$ (309,633)

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

Governmental funds report capital outlay as expenditures,
however, in the Statement of Activities, the costs of those
assets are depreciated over their estimated useful lives

Acquisition of Capital Assets	626,896
Current Year Depreciation Expense	(1,270,931)

Repayment of debt principal is an expenditure in the
governmental funds, but the repayment does not effect net
assets of governmental activities

Principal Payments	272,963
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Expenses relating to services in future periods are shown as
an asset. Governmental funds report the costs in the period
in which it was paid

Net Change in Prepaid Expenses	84,764
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Some expenses reported in the Statement of Activities do
not require the use of current financial resources and,
therefore, are not reported as expenditures in governmental funds

Net Change in Compensated Absences	989
Landfill Long-Term Care Costs	66,388

Governmental funds report the gross proceeds of the sale or
disposal of fixed assets, however, in the Statement of Activities,
the net book value of the assets sold are deducted from the gross
proceeds

Net Book Value of Assets Disposed	(3,561)
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Change in Net Position of Governmental Activities **\$ (532,125)**

The notes to financial statements are integral to this statement.

Statement of Fiduciary Net Position
September 30, 2014
Union County, Florida

	<u>Agency Funds</u>
Assets	
Cash and Equivalents	\$ 214,090
Receivables	1,563
Due From Other Funds	<u>208</u>
Total Assets	215,861
 Liabilities and Fund Balances	
Liabilities	
Assets Held For Others	\$ 174,541
Due to Other Governments	17,101
Due to Other Funds	<u>24,219</u>
Total Liabilities	<u>215,861</u>
Net Position	\$ <u><u>-</u></u>

The notes to financial statements are integral to this statement.

Notes to Financial Statements
September 30, 2014
Union County, Florida

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity/Legal Authority

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

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) concentrate on the County as a whole. In addition, they report information on all of the non-fiduciary activities of the County. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are separate from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses, of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (concluded)

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The non-major funds are combined in one column in the fund financial statements.

Measurement Focus and Basis of Accounting

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 90 days of the end of the current fiscal period; except for property taxes which is 60 days.

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (concluded)

Property taxes, special assessments, intergovernmental revenues, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

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

The County reports the following major governmental funds:

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

Local Housing Assistance Trust Fund - The Local Housing Assistance Trust fund (a special revenue fund) is used to account for the proceeds of State Housing Initiative Partnership grant (SHIP) revenues which provides emergency repairs for residences and down payment assistance for home buyers. Participants must be Union County residents and meet low and moderate income guidelines.

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

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

Transportation Trust Fund— The Transportation Trust Fund (a special revenue fund) is used to account for all revenues and expenditures for the County's transportation system.

Five-Cent Gas Tax Fund - The Five-Cent Gas Tax Fund (a special revenue fund) is used to account for the proceeds of gas taxes. Taxes are levied to fund transportation expenditures.

The County reports the following other fund type:

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

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities and Fund Equity

Cash and Equivalents and Investments

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

Receivables

Accounts receivable in the amount of \$128,881 in the Emergency Medical Services Fund consists of receivables for ambulance services provided to private individuals and the State. All receivables deemed to be uncollectible were written off. The County also reported \$10,165 as accounts receivable in other funds.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the government-wide financial statements.

Capital Assets and Long-Term Liabilities

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

Current acquisitions of fixed assets are valued at historical cost. Capital assets must have a useful life of more than one year and an original cost of at least \$1,000. However, to a large extent, reported values are based on estimated historical cost, because actual historical cost information was not always available for older assets. Donated fixed assets are valued at their estimated fair value, on the date donated. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	5 - 39 Years
Machinery and Equipment	3 - 10 Years
Vehicles	3 - 10 Years
Assets Under Capital Lease	3 - 10 Years
Infrastructure – Roads and Bridges	20 Years

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 1 - Summary of Significant Accounting Policies (concluded)

Assets, Liabilities and Fund Balance (concluded)

Accounts Payable

Accounts payable balances are primarily payable to third-party vendors for goods provided and services rendered.

Use of Estimates

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

Compensated Absences

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

Fund Balance

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

Property Taxes

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

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

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 2 - Investments

Florida Statutes authorize the County to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool. At September 30, 2014 the County's investments totaled \$21,619 and are invested in certificate of deposits held with qualified public depositories.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool created by the Florida Association of Court Clerks and the Florida Association of Counties for the purpose of providing public entities with an investment program that focuses on longer term securities with the highest credit ratings. The effective maturity of the underlying investment is five years or less. At year end, the FLGIT was invested in money markets, treasury notes, asset-backed securities and Federal agency obligations. The investment type is subject to some market risk due to fluctuating prices and liquidity risk due to advance redemption notification requirements. However, it has a professional investment advisor and an investment advisory board. The FLGIT maintains a credit rating of AA+ by Standard & Poor's. A copy of FLGIT's most recent financial statements can be found at <http://floridatrusteronline.com>. At September 30, 2014, the County had \$708,087 invested with FLGIT.

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer.

Note 3 - Interfund Balances and Transfers

As of September 30, 2014, interfund balances consisted of:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 238,363	\$ 15,958
Special Revenue Funds		
Major Funds:		
Local Housing Assistance Trust	264	-
Emergency Medical	-	215,860
Transportation Trust	119	-
Non-Major Funds:		
Community Development Block Grant	-	264
County Law Enforcement	165	-
Sheriff Surcharge	563	-
Law Library	175	-
Clerk Records Modernization	17,347	-
Agency Funds:		
Clerk of the Court Agency	-	22,533
Clerk Domestic Relations	44	2,589
Clerk Registry of Court	164	-
Total	<u>\$ 257,204</u>	<u>\$ 257,204</u>

**Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)**

Note 3 - Interfund Balances and Transfers (concluded)

Transfers from/to other funds for the year ended September 30, 2014 were as follows:

<u>Recipient Fund</u>	<u>Amount Transferred</u>	<u>Reason for Transfer</u>
Emergency Medical Services \$	311,604	Transfer from General Fund to aid in operating costs
Transportation Trust	513,242	Transfer from 5-Cent Gas to cover road expenditures
CDBG Grant	34	Transfer from Local Housing Assistance Trust to cover bank charges
General Fund	68,302	Transfer from Solid Waste for operations
General Fund	12,600	Transfer from Local Housing Assistance Trust for reimbursement of admin costs
General Fund	13,545	Transfer from EMS for operations
General Fund	2,500	Transfer from Public Library Fund for operations
General Fund	<u>263,753</u>	Transfer from Long Term Care Account for assistance with capital project
Total Transfers	\$ <u>1,185,580</u>	

Note 4 – Budgets and Budgetary Accounting

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

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

Note 5 - Risk Management

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

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 6 – Capital Assets

Capital assets activity for the year ended September 30, 2014 was as follows:

Governmental Activities:	Balance 10/1/13	Increases	Decreases	Transfers	Balance 9/30/14
Capital Assets, Not Being Depreciated:					
Land	\$ 1,069,356	\$ 8,208	\$ -	\$ -	\$ 1,077,564
Construction in Progress	1,274,430	-	-	(1,274,430)	-
Total Capital Assets Not Being Depreciated	2,343,786	8,208	-	(1,274,430)	1,077,564
Capital Assets Being Depreciated:					
Buildings and Improvements	6,706,817	52,084	1,772	413,115	7,170,244
Infrastructure - Roads	9,304,459	300,066	-	861,315	10,465,840
Vehicles	3,395,795	81,318	126,589	-	3,350,524
Library Materials	209,517	16,122	-	-	225,639
Machinery and Equipment	3,389,585	169,098	154,727	130,448	3,534,404
Assets Under Capital Lease	461,638	-	-	(130,448)	331,190
Total Capital Assets Being Depreciated	23,467,811	618,688	283,088	1,274,430	25,077,841
Less Accumulated Depreciation For:					
Buildings and Improvements	3,004,588	178,006	1,771	-	3,180,823
Infrastructure - Roads	2,404,702	483,774	-	-	2,888,476
Vehicles	2,621,320	212,434	124,200	-	2,709,554
Library Materials	129,545	16,471	-	-	146,016
Machinery and Equipment	2,310,691	334,084	153,556	-	2,491,219
Assets Under Capital Lease	55,187	46,162	-	-	101,349
Total Accumulated Depreciation	10,526,033	1,270,931	279,527	-	11,517,437
Total Capital Assets, Net of Depreciation	12,941,778	(652,243)	3,561	1,274,430	13,560,404
Governmental Activities Capital Assets, Net	\$ 15,285,564	\$ (644,035)	\$ 3,561	\$ -	\$ 14,637,968

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

Governmental Activities	
General Government	\$ 56,074
Court Related	98,662
Public Safety	422,061
Physical Environment	33,700
Transportation	581,038
Human Services	20,520
Culture and Recreation	58,876
Total Depreciation Expense	\$ 1,270,931

Note 7- Commitment/Contingencies

The County participates in state and federally assisted grant programs, which may be subject to future program compliance audits by the grantors.

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 8 - Long-Term Liabilities

Notes Payable

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

Note payable to Capital City Bank for Emergency Medical Director's vehicle, interest rate of 3.25%, payable from Emergency Medical Services through April 2017. The loan secured by non ad-valorem taxes.	\$ 14,399
Note payable to Community State Bank to assist in purchase of ambulance, interest rate of 3.20%, payable from Emergency Medical Services through August 2017. Loan secured by non ad-valorem taxes.	24,094
Note payable to Kansas State Bank for roll-off truck, interest rate of 3.668%, payable from Solid Waste through December 2016. Loan is secured by a first lien on the equipment.	66,170
Note payable to John Deere Financial for John Deere Tractor, interest rate of 4.25% through, payable from Transportation Trust Fund through October 2017. Loan is secured by a security interest in the equipment.	26,611
Note payable to Capital City Bank for purchase of Supervisor of Elections building, interest rate of 3.80%, payable from General Fund through August 2016. The loan is secured by non ad-valorem revenues.	<u>109,732</u>
Total	\$ <u>241,006</u>

The following schedule provides amortization of the notes payable for the next four years:

Year Ending September 30,	Principal	Interest	Total
2015	96,744	7,927	104,671
2016	100,398	4,273	104,671
2017	43,098	1,261	44,359
2018	766	3	769
Total	\$ <u>241,006</u>	\$ <u>13,464</u>	\$ <u>254,470</u>

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 8 - Long-Term Liabilities (concluded)

Capital Leases

The County leases heavy equipment under agreements that are classified as capital leases. The agreements bear interest rates ranging from 3.00% to 7.50%. The future minimum lease payments required and the present value of the net minimum lease payments at September 30, 2014 are as follows:

Year Ending September 30,	Amount
2015	35,792
2016	34,841
2017	171,131
2018	157,084
Total Minimum Lease Payments	398,848
Less: Amount Representing Interest	30,847
Present Value of Minimum Lease Payments	\$ 368,001

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

The following is a summary of changes in long-term debt of the County for the year ended September 30, 2014:

	Balance 10/1/13	Additions	Reductions	Balance 9/30/14	Due Within One Year
Notes Payable	\$ 479,427	\$ -	\$ 238,421	\$ 241,006	\$ 96,744
Capital Lease Obligations	402,543	-	34,542	368,001	25,160
Landfill Long-Term Care Costs	278,067	-	66,388	211,679	70,560
Compensated Absences	378,521	-	989	377,532	125,844
Total Long-Term Liabilities	\$ 1,538,558	\$ -	\$ 340,340	\$ 1,198,218	\$ 318,308

The total interest incurred for the year ended September 30, 2014 was \$24,614.

Note 9 - Landfill Long-Term Care Costs

The State of Florida requires the County to monitor its closed landfill. Monitoring includes periodic testing of groundwater over the next 4 years. If the groundwater is contaminated by the landfill, then the County must take steps to remedy the situation. Costs of monitoring wells and landfill groundwater, of approximately \$70,560 per year, are expected to be incurred for a period of approximately 3 years. Actual costs may be higher or lower, depending on inflation, changes in technology or changes in regulations. The County's engineers calculate the annual cost of long-term care.

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 9 - Landfill Long-Term Care Costs (concluded)

The County is required to deposit the annual estimate in a separate fund to pay for these costs. The County carried over cash of \$358,136 from fiscal year ending September 30, 2013 to fiscal year ending September 30, 2014. During the fiscal year, the County earned interest on the landfill escrow account of \$68; expended \$25,660 related to monitoring costs and transferred \$263,753 to the General Fund.

Note 10 - Pension Plan

Plan Description. The County contributes to the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing, multiple-employer public employee retirement system administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Pension Plan issues a publicly available financial report that includes financial statements, 10-year historical trend information, and other required supplementary information. That report may be obtained by writing to: State of Florida Department of Administration Division of Retirement, Cedars Executive Center, Building C 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

The Pension Plan provides vesting of benefits after six years of creditable service. Regular members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Regular members who joined the Pension Plan on or after July 1, 2011 are subject to vesting of benefits after eight years of creditable service and eligible for normal retirement after eight years of service and attaining age 65, or 33 years of service regardless of age.

The Deferred Retirement Option Program (DROP), implemented on July 1, 1998, is a program that allows the employee to retire without terminating employment for up to five years while retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5% for FRS Pension Plan members with an effective DROP begin date before July 1, 2011. For FRS Pension Plan members with an effective DROP begin date on or after July 1, 2011, the annual rate is 1.3%. This program is available to eligible members of the Florida Retirement System who are in the FRS Pension Plan. Employee participation in DROP does not change the employee's condition of employment. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive the accumulated DROP benefits and begin receiving monthly retirement benefits. Eligible members may participate in DROP when they reached the normal retirement date. If an employee reaches normal retirement before the age of 57, the employee may elect to defer the DROP election until age 57.

As of June 1, 2003, the FRS offered members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 10 - Pension Plan (concluded)

provisions. The Investment Plan provides vesting of benefits after one year of creditable service. Employees were eligible to make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. The rates for the Investment Plan are the same as the Pension Plan.

Funding Policy. The County and plan members are required to contribute at an actuarially determined rate. Employer contribution rates of the County applicable to wages earned, as follows:

	<u>10/1/13-6/30/14</u>	<u>7/1/14-9/30/14</u>
Regular Employees	6.95%	7.37%
DROP Employees	12.84%	12.28%
Special Risk Employees	19.06%	19.82%
Senior Management Employees	18.31%	21.14%
Elected Officials	33.03%	43.24%

Employee contribution rates are 3% of applicable wages earned. The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County's contributions to the System for the years ended September 30, 2014, 2013, and 2012 were \$566,270, \$425,647 and \$328,504, respectively, and are equal to the required contributions for each year.

Note 11 - Jointly Governed Organization

New River Public Library Cooperative

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

The Board received from New River Public Library Cooperative \$12,000, in rental charges, in fiscal year 2014. The charges include the cost of office space and utilities provided by Union County.

The Cooperative's condensed financial information, as of and for the year ended September 30, 2014 (latest available information), is hereafter presented:

Total Assets	\$	366,505
Total Liabilities	\$	33,665
Total Net Position	\$	332,840
Total Revenues	\$	331,200
Total Expenses	\$	378,763
Change in Net Position	\$	(47,563)

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 11 - Jointly Governed Organization (concluded)

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

Note 12 – Joint Venture

New River Solid Waste Association

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

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

The county received distributions (host fees) from the Association in the amount of \$430,000 in fiscal year 2014. The Association's condensed financial information, as of and for the year ended September 30, 2014 (latest available information), is hereafter presented:

Total Assets	\$	47,123,651
Total Liabilities	\$	16,943,553
Total Net Postion	\$	30,180,098
Total Revenues	\$	7,530,372
Total Non-Operating Revenues (Expenses)	\$	(832,552)
Total Expenses	\$	6,698,305
Change in Net Position	\$	(485)

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

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 13 – Budget Over Expenditures

For the period ended September 30, 2014, the Emergency Medical Services fund had a budget over expenditures in the amount of \$405,881. The budget over expenditure was caused by write-offs of uncollectible accounts receivable that was not budgeted.

Note 14 – Fund Balances

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

Fund balance is divided into two major types: nonspendable and spendable. Nonspendable fund balances include amounts that cannot be converted to cash or are legally or contractually required to be maintained intact. The County considers inventory, prepayments, advances, deposits, and long-term receivables as nonspendable items. Spendable fund balances of governmental funds are classified based upon a hierarchy that identifies the constraints or specific purposes for which amounts in those funds can be spent. The classifications of spendable fund balances include:

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation. At September 30, 2014 the County had the following restrictions on fund balances:

Restricted for:	General Fund	Local Housing Assistance Trust	Special Law Enforcement	Transportation Trust	Five-Cent Gas Tax	Non-Major Funds
Public Safety	\$ -	\$ -	\$ 1,137,331	\$ -	\$ -	\$ 122,604
Physical Environment	-	-	-	-	-	67,720
Economic Environment	-	269	-	-	-	-
Transportation	-	-	-	267,457	191,483	-
Culture and Recreation	-	-	-	-	-	90,279
Court Related	307,099	-	-	-	-	93,230
	<u>\$ 307,099</u>	<u>\$ 269</u>	<u>\$ 1,137,331</u>	<u>\$ 267,457</u>	<u>\$ 191,483</u>	<u>\$ 373,833</u>

Committed – includes amounts that can be used only for the specific purposes determined by formal action of the highest level of decision making authority. The County Commission is considered the highest level of decision making authority and formalizes this type of action by resolution in a public meeting. A commitment can only be modified or removed by the same formal action. The County Commission, at this time, has not taken formal action to commit any fund balances. As such, no committed fund balances are reported.

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 14 – Fund Balances (concluded)

Assigned – amounts the County intends to use for a specific purpose. Intent can be expressed by Board of County Commissioners or by an official or body which the Board delegates authority. The County reported \$209,608 in assigned fund balance which is comprised of \$156,308 of 2014 General Fund surplus that was used to balance the 2015 budget and \$53,300 in residual General Fund transfers made to Emergency Management, which the Board intends to be spent on emergency management (public safety) related activities.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund. Three funds reported negative fund balances, they are itemized below.

Major Funds:

Emergency Medical Services	\$	(59,211)
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Non-Major:

Solid Waste	\$	(26,750)
Community Development Block Grant	\$	(228)

Note 15 – Implementation of Accounting Standards

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – amendment of GASB Statement No. 27, effective for the County’s fiscal year ending September 30, 2015, which establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses/expenditures for pensions. This statement requires recognition of the liability of employers to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employee’s past periods of service (total pension liability), less the amount of the pension plan’s fiduciary net pension.

As described in Note 10, the County participates in the Florida Retirement System (FRS), a cost-sharing, multi-employer defined benefit public retirement plan. Upon implementation of GASB Statement No. 68, the County will be required to recognize a liability for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan, and related pension expense/expenditure and deferred outflows and inflows of resources. The effect of the application of GASB Statement No. 68 has not yet been determined.

In November 2013, the GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68, effective for the County’s fiscal year ending September 30, 2015. The objective of Statement No. 71 is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability.

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Continued)

Note 15 – Implementation of Accounting Standards (continued)

As a member of FRS, a cost-sharing multi-employer plan, timing for the implementation of this standard by the District is dependent on the state of Florida's implementation, which is currently expected to be for the fiscal year ending June 30, 2015.

In February 2015, the GASB issued Statement No. 72, Fair Value Measurement and Application, effective for the County's fiscal year ending September 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The effect of the application of GASB Statement No. 72 has not yet been determined.

In June 2015, the GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, effective for the County's fiscal year ending September 30, 2016. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The effect of the application of GASB Statement No. 73 has not yet been determined.

In June 2015, the GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, effective for the County's fiscal year ending September 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The effect of the application of GASB Statement No. 74 has not yet been determined.

Notes to Financial Statements
September 30, 2014
Union County, Florida
(Concluded)

Note 15 – Implementation of Accounting Standards (concluded)

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for the County's fiscal year ending September 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB 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 all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The effect of the application of GASB Statement No. 75 has not yet been determined.

In June 2015, the GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, effective for the County's fiscal year ending September 30, 2016. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The effect of the application of GASB Statement No. 76 has not yet been determined.

Required Supplementary Information

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes	\$ 2,616,977	\$ 2,616,977	\$ 2,618,615
Licenses and Permits	50,000	50,000	51,692
Intergovernmental	2,807,694	2,892,989	2,974,242
Charges for Services	499,769	555,856	523,611
Miscellaneous Revenues	54,911	200,330	72,075
FS 129 Statutory Reduction	(256,813)	(256,813)	-
Total Revenues	5,772,538	6,059,339	6,240,235
Expenditures			
Current:			
General Government	2,043,740	2,166,995	1,881,919
Public Safety	2,262,067	2,450,472	2,403,577
Physical Environment	134,951	166,918	158,203
Economic Environment	71,181	71,181	55,780
Transportation	-	-	1,955
Human Services	332,066	332,066	364,941
Culture and Recreation	29,200	29,200	31,507
Court Related	740,485	775,412	728,707
Debt Service:			
Principal	205,560	205,560	208,025
Interest	-	-	7,299
Total Expenditures	5,819,250	6,197,804	5,841,913
Excess of Revenues Over (Under) Expenditures	(46,712)	(138,465)	398,322
Other Financing Sources (Uses)			
Contribution from Joint Venture	-	-	100,000
Transfers In	302,825	360,698	360,700
Transfers Out to Others	-	-	(47,372)
Transfers Out	(315,269)	(315,269)	(311,604)
Total Other Financing Sources (Uses)	(12,444)	45,429	101,724
Net Change in Fund Balances	(59,156)	(93,036)	500,046
Fund Balances-October 1, 2013	359,364	398,586	921,020
Fund Balances-September 30, 2014	\$ 300,208	\$ 305,550	\$ 1,421,066

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Local Housing Assistance Trust Fund
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ 350,000	\$ 350,000	\$ 346,617
Miscellaneous Revenues	-	-	318
Total Revenues	350,000	350,000	346,935
Expenditures			
Current:			
Economic Environment	373,425	373,425	352,343
Total Expenditures	373,425	373,425	352,343
Excess of Revenues Over (Under) Expenditures	(23,425)	(23,425)	(5,408)
Other Financing Sources (Uses)			
Transfers Out	(1,000)	(1,000)	(12,634)
Total Other Financing Sources (Uses)	(1,000)	(1,000)	(12,634)
Net Change in Fund Balances	(24,425)	(24,425)	(18,042)
Fund Balances -October 1, 2013	24,425	24,425	18,311
Fund Balances -September 30, 2014	\$ -	\$ -	\$ 269

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Emergency Medical Services
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Licenses and Permits	\$ 193,000	\$ 193,000	\$ 195,485
Intergovernmental	1,379	1,379	20,129
Charges for Services	850,000	850,000	815,272
Miscellaneous Revenues	30,000	39,738	40,593
FS 129 Statutory Reduction	(58,400)	(58,400)	-
Total Revenues	1,015,979	1,025,717	1,071,479
Expenditures			
Current:			
Public Safety	1,313,211	1,322,949	1,720,162
Debt Service:			
Principal	5,827	5,827	13,011
Interest	-	-	1,484
Total Expenditures	1,319,038	1,328,776	1,734,657
Excess of Revenues Over (Under) Expenditures	(303,059)	(303,059)	(663,178)
Other Financing Sources (Uses)			
Transfers In	311,604	311,604	311,604
Transfers Out	(13,545)	(13,545)	(13,545)
Total Other Financing Sources (Uses)	298,059	298,059	298,059
Net Change in Fund Balances	(5,000)	(5,000)	(365,119)
Fund Balances -October 1, 2013	5,000	5,000	305,908
Fund Balances -September 30, 2014	\$ -	\$ -	\$ (59,211)

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Special Law Enforcement Trust
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Fines and Forfeitures	\$ 45,000	\$ 45,000	\$ 93,298
Miscellaneous Revenues	5,000	5,000	4,521
FS 129 Statutory Reduction	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Total Revenues	47,500	47,500	97,819
Expenditures			
Current:			
Public Safety	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	47,500	47,500	97,819
Fund Balances -October 1, 2013	<u>1,007,000</u>	<u>1,007,000</u>	<u>1,039,512</u>
Fund Balances -September 30, 2014	\$ <u><u>1,054,500</u></u>	\$ <u><u>1,054,500</u></u>	\$ <u><u>1,137,331</u></u>

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual – Transportation Trust Fund
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes	\$ 440,407	\$ 440,407	\$ 454,395
Intergovernmental	3,339	3,339	3,233
Charges for Services	-	-	5,319
Miscellaneous Revenues	8,550	8,550	2,097
FS 129 Statutory Reduction	(22,615)	(22,615)	-
Total Revenues	429,681	429,681	465,044
Expenditures			
Current:			
Transportation	898,435	898,435	874,436
Debt Service:			
Principal	44,488	44,488	31,413
Interest	-	-	12,651
Total Expenditures	942,923	942,923	918,500
Excess of Revenues Over (Under) Expenditures	(513,242)	(513,242)	(453,456)
Other Financing Sources (Uses)			
Transfers In	513,242	513,242	513,242
Total Other Financing Sources (Uses)	513,242	513,242	513,242
Net Change in Fund Balances	-	-	59,786
Fund Balances -October 1, 2013	-	-	207,671
Fund Balances -September 30, 2014	\$ -	\$ -	\$ 267,457

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual – Five-Cent Gas Tax
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes	\$ 355,944	\$ 355,944	\$ 363,952
Intergovernmental	1,829,764	629,764	274,795
Miscellaneous Revenues	100	100	-
FS 129 Statutory Reduction	(17,802)	(17,802)	-
Total Revenues	2,168,006	968,006	638,747
Expenditures			
Current:			
Transportation	1,829,764	629,764	300,064
Excess of Revenues Over (Under) Expenditures	338,242	338,242	338,683
Other Financing Sources (Uses)			
Transfers Out	(513,242)	(513,242)	(513,242)
Total Other Financing Sources (Uses)	(513,242)	(513,242)	(513,242)
Net Change in Fund Balances	(175,000)	(175,000)	(174,559)
Fund Balances -October 1, 2013	175,000	175,000	366,042
Fund Balances -September 30, 2014	\$ -	\$ -	\$ 191,483

Note to Budgetary Comparison Schedule:

The preparation, adoption and amendment of the budgets are governed by Florida Statutes. The fund is the legal level of control. Budgets are prepared on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Supplemental Information

**Combining Balance Sheets
Board and Officer General Funds
September 30, 2014
Union County, Florida**

	Board of County Commissioners	Clerk of Circuit Court	Sheriff
Assets			
Cash and Equivalents	\$ 460,982	\$ 379,874	\$ 127,753
Investments	21,619	-	-
Accounts Receivable	815	-	-
Due From Other Governments	525,154	17,050	-
Due From Other Funds	306,956	16,833	-
Due From Retirees	1,488	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ <u>1,317,014</u>	\$ <u>413,757</u>	\$ <u>127,753</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 117,298	\$ 19,688	\$ 117,801
Due to Other Governments	31,094	17,757	-
Due to Other Funds	14,655	69,213	9,952
	<hr/>	<hr/>	<hr/>
Total Liabilities	163,047	106,658	127,753
Fund Balances			
Restricted	-	307,099	-
Assigned	156,308	-	-
Unassigned	997,659	-	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>1,153,967</u>	<u>307,099</u>	<u>-</u>
Total Liabilities and Fund Balances	\$ <u>1,317,014</u>	\$ <u>413,757</u>	\$ <u>127,753</u>

Combining Balance Sheets
Board and Officer General Funds
September 30, 2014
Union County, Florida
(Continued)

	<u>Tax Collector</u>	<u>Property Appraiser</u>	<u>Supervisor of Elections</u>
Assets			
Cash and Equivalents	\$ 1,245	\$ 9,483	\$ 2,902
Investments	-	-	-
Accounts Receivable	-	-	-
Due From Other Governments	-	-	-
Due From Other Funds	-	-	-
Due From Retirees	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	\$ <u><u>1,245</u></u>	\$ <u><u>9,483</u></u>	\$ <u><u>2,902</u></u>
 Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	\$ -	\$ 3,626	\$ 2,333
Due to Other Governments	-	107	-
Due to Other Funds	1,245	5,750	569
	<u>1,245</u>	<u>5,750</u>	<u>569</u>
Total Liabilities	1,245	9,483	2,902
 Fund Balances			
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
 Total Liabilities and Fund Balances	\$ <u><u>1,245</u></u>	\$ <u><u>9,483</u></u>	\$ <u><u>2,902</u></u>

**Combining Balance Sheets
Board and Officer General Funds
September 30, 2014
Union County, Florida
(Concluded)**

	<u>Subtotals</u>	<u>Interfund Eliminations</u>	<u>Totals</u>
Assets			
Cash and Equivalents	\$ 982,239	\$ -	\$ 982,239
Investments	21,619	-	21,619
Accounts Receivable	815	-	815
Due From Other Governments	542,204	-	542,204
Due From Other Funds	323,789	(85,426)	238,363
Due From Retirees	1,488	-	1,488
	<u>1,872,154</u>	<u>-</u>	<u>1,872,154</u>
Total Assets	\$ <u>1,872,154</u>	\$ <u>(85,426)</u>	\$ <u>1,786,728</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and			
Accrued Expenses	\$ 260,746	\$ -	\$ 260,746
Due to Other Governments	48,958	-	48,958
Due to Other Funds	101,384	(85,426)	15,958
	<u>411,088</u>	<u>(85,426)</u>	<u>325,662</u>
Total Liabilities	411,088	(85,426)	325,662
Fund Balances			
Restricted	307,099	-	307,099
Assigned	156,308	-	156,308
Unassigned	997,659	-	997,659
	<u>1,461,066</u>	<u>-</u>	<u>1,461,066</u>
Total Fund Balances	1,461,066	-	1,461,066
Total Liabilities and Fund Balances	\$ <u>1,872,154</u>	\$ <u>(85,426)</u>	\$ <u>1,786,728</u>

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual
Board and Officer General Funds
For the Year Ended September 30, 2014
Union County, Florida**

	Board of County Commissioners			Clerk of Circuit Courts		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues						
Taxes	\$ 2,616,977	2,616,977	2,618,615	\$ -	\$ -	\$ -
Licenses and Permits	50,000	50,000	51,692	-	-	-
Intergovernmental	2,391,962	2,444,457	2,521,968	415,732	441,058	444,800
Charges for Services	151,500	200,031	128,553	136,345	136,345	177,183
Miscellaneous Revenues	53,700	195,097	70,083	-	-	81
FS 129 Statutory Reduction	(256,813)	(256,813)	-	-	-	-
Total Revenues	5,007,326	5,249,749	5,390,911	552,077	577,403	622,064
Expenditures						
Current:						
General Government	748,428	863,491	622,925	298,867	290,142	259,991
Public Safety	447,473	503,334	460,965	-	-	-
Physical Environment	134,951	166,918	158,203	-	-	-
Economic Environment	71,181	71,181	55,780	-	-	-
Transportation	-	-	1,955	-	-	-
Human Services	332,066	332,066	364,941	-	-	-
Culture and Recreation	29,200	29,200	31,507	-	-	-
Court Related	243,912	253,512	212,385	496,573	521,900	516,322
Debt Service:						
Principal	205,560	205,560	208,025	-	-	-
Interest	-	-	7,299	-	-	-
Total Expenditures	2,212,771	2,425,262	2,123,985	795,440	812,042	776,313
Excess of Revenues Over (Under) Expenditures	2,794,555	2,824,487	3,266,926	(243,363)	(234,639)	(154,249)
Other Financing Sources (Uses)						
Contribution from Joint Venture	-	-	100,000	-	-	-
Transfers In	354,100	469,499	540,389	291,467	282,742	282,742
Transfers Out to Others	-	-	-	-	-	(47,265)
Transfers Out	(3,250,572)	(3,435,125)	(3,435,123)	(15,600)	(15,600)	(53,374)
Total Other Financing Sources (Uses)	(2,896,472)	(2,965,626)	(2,794,734)	275,867	267,142	182,103
Net Change in Fund Balances	(101,917)	(141,139)	472,192	32,504	32,503	27,854
Fund Balances - 10/1/2013	101,917	141,139	681,775	257,447	257,447	279,245
Fund Balances - 9/30/2014	\$ -	-	1,153,967	\$ 289,951	\$ 289,950	\$ 307,099

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual
Board and Officer General Funds
For the Year Ended September 30, 2014
Union County, Florida
(Continued)**

	Sheriff			Tax Collector		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for Services	-	-	-	211,924	211,924	208,741
Miscellaneous Revenues	-	-	-	1,211	1,211	1,572
FS 129 Statutory Reduction	-	-	-	-	-	-
Total Revenues	-	-	-	213,135	213,135	210,313
Expenditures						
Current:						
General Government	23,465	23,465	18,039	314,322	314,322	313,920
Public Safety	1,814,594	1,947,138	1,942,612	-	-	-
Physical Environment	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>1,838,059</u>	<u>1,970,603</u>	<u>1,960,651</u>	<u>314,322</u>	<u>314,322</u>	<u>313,920</u>
Excess of Revenues Over (Under) Expenditures	(1,838,059)	(1,970,603)	(1,960,651)	(101,187)	(101,187)	(103,607)
Other Financing Sources (Uses)						
Contribution from Joint Venture	-	-	-	-	-	-
Transfers In	1,838,059	1,970,603	1,970,603	104,852	104,852	104,852
Transfers Out to Others	-	-	-	-	-	-
Transfers Out	-	-	(9,952)	(3,665)	(3,665)	(1,245)
Total Other Financing Sources (Uses)	<u>1,838,059</u>	<u>1,970,603</u>	<u>1,960,651</u>	<u>101,187</u>	<u>101,187</u>	<u>103,607</u>
Net Change in Fund Balances	-	-	-	-	-	-
Fund Balances - 10/1/2013	-	-	-	-	-	-
Fund Balances - 9/30/2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual
Board and Officer General Funds
For the Year Ended September 30, 2014
Union County, Florida
(Continued)**

	Property Appraiser			Supervisor of Elections		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	7,474	7,474
Charges for Services	-	7,000	8,578	-	556	556
Miscellaneous Revenues	-	4,000	281	-	22	58
FS 129 Statutory Reduction	-	-	-	-	-	-
Total Revenues	-	11,000	8,859	-	8,052	8,088
Expenditures						
Current:						
General Government	381,391	378,323	370,325	277,267	297,252	296,719
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	381,391	378,323	370,325	277,267	297,252	296,719
Excess of Revenues Over (Under) Expenditures	(381,391)	(367,323)	(361,466)	(277,267)	(289,200)	(288,631)
Other Financing Sources (Uses)						
Contribution from Joint Venture	-	-	-	-	-	-
Transfers In	381,391	367,323	367,323	277,267	289,200	289,200
Transfers Out to Others	-	-	(107)	-	-	-
Transfers Out	-	-	(5,750)	-	-	(569)
Total Other Financing Sources (Uses)	381,391	367,323	361,466	277,267	289,200	288,631
Net Change in Fund Balances	-	-	-	-	-	-
Fund Balances - 10/1/2013	-	-	-	-	-	-
Fund Balances - 9/30/2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual
Board and Officer General Funds
For the Year Ended September 30, 2014
Union County, Florida
(Continued)**

	Subtotals			Interfund Eliminations		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues						
Taxes	\$ 2,616,977	\$ 2,616,977	\$ 2,618,615	\$ -	\$ -	\$ -
Licenses and Permits	50,000	50,000	51,692	-	-	-
Intergovernmental	2,807,694	2,892,989	2,974,242	-	-	-
Charges for Services	499,769	555,856	523,611	-	-	-
Miscellaneous Revenues	54,911	200,330	72,075	-	-	-
FS 129 Statutory Reduction	(256,813)	(256,813)	-	-	-	-
Total Revenues	5,772,538	6,059,339	6,240,235	-	-	-
Expenditures						
Current:						
General Government	2,043,740	2,166,995	1,881,919	-	-	-
Public Safety	2,262,067	2,450,472	2,403,577	-	-	-
Physical Environment	134,951	166,918	158,203	-	-	-
Economic Environment	71,181	71,181	55,780	-	-	-
Transportation	-	-	1,955	-	-	-
Human Services	332,066	332,066	364,941	-	-	-
Culture and Recreation	29,200	29,200	31,507	-	-	-
Court Related	740,485	775,412	728,707	-	-	-
Debt Service:						
Principal	205,560	205,560	208,025	-	-	-
Interest	-	-	7,299	-	-	-
Total Expenditures	5,819,250	6,197,804	5,841,913	-	-	-
Excess of Revenues Over (Under) Expenditures	(46,712)	(138,465)	398,322	-	-	-
Other Financing Sources (Uses)						
Contribution from Joint Venture	-	-	100,000	-	-	-
Transfers In	3,247,136	3,484,219	3,555,109	(2,944,311)	(3,123,521)	(3,194,409)
Transfers Out to Others	-	-	(47,372)	-	-	-
Transfers Out	(3,269,837)	(3,454,390)	(3,506,013)	2,954,568	3,139,121	3,194,409
Total Other Financing Sources (Uses)	(22,701)	29,829	101,724	10,257	15,600	-
Net Change in Fund Balances	(69,413)	(108,636)	500,046	10,257	15,600	-
Fund Balances - 10/1/2013	359,364	398,586	961,020	-	-	-
Fund Balances - 9/30/2014	\$ 289,951	\$ 289,950	\$ 1,461,066	\$ 10,257	\$ 15,600	\$ -

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual
Board and Officer General Funds
For the Year Ended September 30, 2014
Union County, Florida
(Concluded)**

	Totals		
	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 2,616,977	\$ 2,616,977	\$ 2,618,615
Licenses and Permits	50,000	50,000	51,692
Intergovernmental	2,807,694	2,892,989	2,974,242
Charges for Services	499,769	555,856	523,611
Miscellaneous Revenues	54,911	200,330	72,075
FS 129 Statutory Reduction	(256,813)	(256,813)	-
Total Revenues	5,772,538	6,059,339	6,240,235
Expenditures			
Current:			
General Government	2,043,740	2,166,995	1,881,919
Public Safety	2,262,067	2,450,472	2,403,577
Physical Environment	134,951	166,918	158,203
Economic Environment	71,181	71,181	55,780
Transportation	-	-	1,955
Human Services	332,066	332,066	364,941
Culture and Recreation	29,200	29,200	31,507
Court Related	740,485	775,412	728,707
Debt Service:			
Principal	205,560	205,560	208,025
Interest	-	-	7,299
Total Expenditures	5,819,250	6,197,804	5,841,913
Excess of Revenues Over (Under) Expenditures	(46,712)	(138,465)	398,322
Other Financing Sources (Uses)			
Contribution from Joint Venture	-	-	100,000
Transfers In	302,825	360,698	360,700
Transfers Out to Others	-	-	(47,372)
Transfers Out	(315,269)	(315,269)	(311,604)
Total Other Financing Sources (Uses)	(12,444)	45,429	101,724
Net Change in Fund Balances	(59,156)	(93,036)	500,046
Fund Balances - 10/1/2013	359,364	398,586	961,020
Fund Balances - 9/30/2014	\$ 300,208	\$ 305,550	\$ 1,461,066

Combining Balance Sheets
Non-Major Governmental Funds
September 30, 2014
Union County, Florida

	Special Revenue Funds					
	Solid Waste	Community Development Block Grant	County Law Enforcement	Emergency Management	Public Library	Landfill Long-Term Care
Assets						
Cash and Equivalents	\$ 10,254	\$ 36	\$ 22,075	\$ 45,702	\$ 95,429	\$ 69,585
Accounts Receivable	10,165	-	-	-	-	-
Due From Other Governments	2,429	5,493	-	31,868	-	-
Due From Other Funds	-	-	165	-	-	-
Total Assets	\$ 22,848	\$ 5,529	\$ 22,240	\$ 77,570	\$ 95,429	\$ 69,585
Liabilities and Fund Balances						
Liabilities						
Accounts Payable and Accrued Expenses	\$ 49,598	\$ 5,493	\$ -	\$ 2,623	\$ 5,150	\$ 1,865
Due to Other Funds	-	264	-	-	-	-
Unearned Revenue	-	-	-	21,647	-	-
Total Liabilities	49,598	5,757	-	24,270	5,150	1,865
Fund Balances						
Restricted	-	-	22,240	-	90,279	67,720
Assigned	-	-	-	53,300	-	-
Unassigned	(26,750)	(228)	-	-	-	-
Total Fund Balances	(26,750)	(228)	22,240	53,300	90,279	67,720
Total Liabilities and Fund Balances	\$ 22,848	\$ 5,529	\$ 22,240	\$ 77,570	\$ 95,429	\$ 69,585

Combining Balance Sheets
Non-Major Governmental Funds
September 30, 2014
Union County, Florida
(Concluded)

	Special Revenue Funds					
	911	Sheriff Surcharge	Law Library	Clerk Records Modernization	Sheriff Inmate Welfare	Totals
Assets						
Cash and Equivalents	\$ 18,637	\$ 10,420	\$ 3,443	\$ 72,265	\$ 38,596	\$ 386,442
Accounts Receivable	-	-	-	-	-	10,165
Due From Other Governments	34,789	-	-	-	-	74,579
Due From Other Funds	-	563	175	17,347	-	18,250
Total Assets	<u>\$ 53,426</u>	<u>\$ 10,983</u>	<u>\$ 3,618</u>	<u>\$ 89,612</u>	<u>\$ 38,596</u>	<u>\$ 489,436</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable and Accrued Expenses	\$ 2,641	\$ -	\$ -	\$ -	\$ -	\$ 67,370
Due to Other Funds	-	-	-	-	-	264
Unearned Revenue	-	-	-	-	-	21,647
Total Liabilities	2,641	-	-	-	-	89,281
Fund Balances						
Restricted	50,785	10,983	3,618	89,612	38,596	373,833
Assigned	-	-	-	-	-	53,300
Unassigned	-	-	-	-	-	(26,978)
Total Fund Balances	<u>50,785</u>	<u>10,983</u>	<u>3,618</u>	<u>89,612</u>	<u>38,596</u>	<u>400,155</u>
Total Liabilities and Fund Balances	<u>\$ 53,426</u>	<u>\$ 10,983</u>	<u>\$ 3,618</u>	<u>\$ 89,612</u>	<u>\$ 38,596</u>	<u>\$ 489,436</u>

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2014
Union County, Florida**

	Special Revenue Funds					
	<u>Solid Waste</u>	<u>Community Development Block Grant</u>	<u>County Law Enforcement</u>	<u>Emergency Management</u>	<u>Public Library</u>	<u>Landfill Long-Term Care</u>
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 107,260	\$ -
Licenses and Permits	287,405	-	-	-	-	-
Intergovernmental	90,909	7,743	-	157,455	96,099	-
Charges for Services	171,540	-	-	-	-	-
Fines and Forfeitures	-	-	1,750	-	-	-
Miscellaneous Revenues	19,090	-	13	7,804	16,284	68
Total Revenues	<u>568,944</u>	<u>7,743</u>	<u>1,763</u>	<u>165,259</u>	<u>219,643</u>	<u>68</u>
Expenditures						
Current:						
Public Safety	-	-	-	182,855	-	-
Physical Environment	844,445	-	-	-	-	25,660
Economic Environment	-	8,007	-	-	-	-
Culture and Recreation	-	-	-	-	226,525	-
Court Related	-	-	-	-	-	-
Debt Service:						
Principal	20,514	-	-	-	-	-
Interest	3,180	-	-	-	-	-
Total Expenditures	<u>868,139</u>	<u>8,007</u>	<u>-</u>	<u>182,855</u>	<u>226,525</u>	<u>25,660</u>
Excess of Revenues Over (Under) Expenditures	(299,195)	(264)	1,763	(17,596)	(6,882)	(25,592)
Other Financing Sources (Uses)						
Contributions from Joint Venture	330,000	-	-	-	-	-
Transfers In	-	34	-	-	-	-
Transfers Out	(68,302)	-	-	-	(2,500)	(263,753)
Total Other Financing Sources (Uses)	<u>261,698</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>(263,753)</u>
Net Change in Fund Balances	<u>(37,497)</u>	<u>(230)</u>	<u>1,763</u>	<u>(17,596)</u>	<u>(9,382)</u>	<u>(289,345)</u>
Fund Balances - 10/1/2013	<u>10,747</u>	<u>2</u>	<u>20,477</u>	<u>70,896</u>	<u>99,661</u>	<u>357,065</u>
Fund Balances - 9/30/2014	<u>\$ (26,750)</u>	<u>\$ (228)</u>	<u>\$ 22,240</u>	<u>\$ 53,300</u>	<u>\$ 90,279</u>	<u>\$ 67,720</u>

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2014
Union County, Florida
(Concluded)**

	Special Revenue Funds					
	911	Sheriff Surcharge	Law Library	Clerk Records Modernization	Sheriff Inmate Welfare	Totals
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	107,260
Licenses and Permits	-	-	-	-	-	287,405
Intergovernmental	162,278	-	-	-	-	514,484
Charges for Services	-	-	3,334	10,710	4,487	190,071
Fines and Forfeitures	-	6,305	-	6,307	-	14,362
Miscellaneous Revenues	52	17	2	-	-	43,330
Total Revenues	162,330	6,322	3,336	17,017	4,487	1,156,912
Expenditures						
Current:						
Public Safety	210,726	39,800	-	-	-	433,381
Physical Environment	-	-	-	-	-	870,105
Economic Environment	-	-	-	-	-	8,007
Culture and Recreation	-	-	-	-	-	226,525
Court Related	-	-	243	-	-	243
Debt Service:						
Principal	-	-	-	-	-	20,514
Interest	-	-	-	-	-	3,180
Total Expenditures	210,726	39,800	243	-	-	1,561,955
Excess of Revenues Over (Under) Expenditures	(48,396)	(33,478)	3,093	17,017	4,487	(405,043)
Other Financing Sources (Uses)						
Contributions from Joint Venture	-	-	-	-	-	330,000
Transfers In	-	-	-	-	-	34
Transfers Out	-	-	-	-	-	(334,555)
Total Other Financing Sources (Uses)	-	-	-	-	-	(4,521)
Net Change in Fund Balances	(48,396)	(33,478)	3,093	17,017	4,487	(409,564)
Fund Balances - 10/1/2013	99,181	44,461	525	72,595	34,109	809,719
Fund Balances - 9/30/2014	\$ 50,785	\$ 10,983	\$ 3,618	\$ 89,612	\$ 38,596	\$ 400,155

**Combining Statement of Fiduciary Net Position
September 30, 2014
Union County, Florida**

	Agency Funds			
	Clerk of Circuit Court	Sheriff	Tax Collector	Total
Assets				
Cash and Equivalents	\$ 80,617	\$ 19,092	\$ 114,381	\$ 214,090
Receivables	1,563	-	-	1,563
Due From Other Funds	208	-	-	208
Total Assets	82,388	19,092	114,381	215,861
Liabilities and Fund Balances				
Liabilities				
Assets Held For Others	57,135	3,025	114,381	174,541
Due to Other Governments	131	16,067	-	16,198
Due to Other Funds	25,122	-	-	25,122
Total Liabilities	82,388	19,092	114,381	215,861
Net Position	\$ -	\$ -	\$ -	\$ -

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

Federal Grantor/Pass-through Grantor/Program Title	Contract Number	CFDA/CSFA #	Award Amount	Expenditures
U.S. Department of Justice				
Passed through the Office of the Attorney General				
Victims of Crimes Act (VOCA) Grant	V13030	16.575	\$ 35,766	\$ 35,766
U.S. Department of Health and Human Services				
Passed through the Florida Department of Revenue				
Child Support Enforcement	CD363	93.563	108,608	61,200
Passed through the Florida Department of State				
Federal HHS VOTE Program Grant	MOA# 2012-2013-0001	93.617	1,226	1,226
Federal HHS VOTE Program Grant	MOA# 2013-2014-0003	93.617	1,008	1,008
Federal HHS VOTE Program Grant	MOA# 2014-2015-0001	93.617	1,838	1,838
Federal HHS VOTE Program Grant	MOA# 2014-2015-0002	93.617	3,402	3,402
Total CFDA 93.617			<u>7,474</u>	<u>7,474</u>
Total U.S. Department of Health and Human Services			<u>116,082</u>	<u>68,674</u>
U.S. Department of Housing and Urban Development				
Passed through Florida Department of Economic Opportunity				
Community Development Block Grant (CDBG) Program	13DB-OI-03-73-01-H13	14.228	700,000	8,007
FEMA				
Passed through Florida Division of Emergency Management				
Hazardous Mitigation Grant Program-Wind Retrofit Project	14HM-6B-03-73-01-393	97.039	19,656	-
U.S. Department of Homeland Security				
Passed through the Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance - 2014 Crime Prevention	2014-JAGC-UNIO-1-E5-084	16.738	20,172	20,172
Passed through the Florida Department of Community Affairs- Division of Emergency Management				
Emergency Management Planning - Performance Grant	14-FG-1M-03-73-01-130	97.042	42,934	33,317
Emergency Management Planning - Performance Grant	15-FG-4D-03-73-01-130	97.042	43,179	7,551
Total CFDA 97.042			<u>86,113</u>	<u>40,868</u>
Emergency Management Planning - Planning, Training & Exercise	14-DS-C2-03-73-01-141	97.067	10,923	10,923
Emergency Management Planning - Planning, Training & Exercise	14-DS-L5-03-73-01-263	97.067	10,900	-
Total CFDA 97.067			<u>21,823</u>	<u>10,923</u>
Total U.S. Department of Homeland Security			<u>128,108</u>	<u>71,963</u>
Total Expenditures of Federal Assistance				<u>\$ 184,410</u>

**Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended September 30, 2014
Union County, Florida
(Concluded)**

Federal Grantor/Pass-through Grantor/Program Title	Contract Number	CFDA/CSFA #	Award Amount	Expenditures
State Grantor/Program Title				
Florida Department of Community Affairs				
Passed through Division of Emergency Management				
EMPA Base Grant	14-BG-83-03-73-01-063	31.063	\$ 105,806	\$ 80,377
EMPA Base Grant	15-BG-83-03-73-01-063	31.063	105,806	19,655
Total CSFA 31.063			<u>211,612</u>	<u>100,032</u>
Emergency Management Projects - Hazards Analysis	14-CP-11-03-73-01-301	31.067	970	970
Florida Department of Community Affairs			<u>212,582</u>	<u>101,002</u>
Florida Department of Health				
Emergency Medical Services Matching Grant	C2063	64.003	1,379	1,379
Emergency Medical Services Matching Grant	M2108	64.003	18,750	18,750
Total CFDA 64.003			<u>20,129</u>	<u>20,129</u>
Florida Department of Environmental Protection				
Small County Consolidated Grant	430SC	37.012	90,909	90,909
Florida Department of Management Services				
E911 Rural County Grant Spring Program - UPS	13-10-28	72.001	705	705
E911 Rural County Grant Spring Program - E911 Map Maintenance	13-10-19	72.001	44,053	44,053
E911 Rural County Grant Spring Program - CPE Audio Hardware	13-11-32	72.001	9,320	9,320
E911 Rural County Grant Spring Program - E911 System Maintenance	14-4-24	72.001	3,522	3,522
Total CSFA 72.001			<u>57,600</u>	<u>57,600</u>
Florida Department of State and Secretary of State				
State Aid to Libraries - Operating Grant	13-ST-40	45.030	80,986	40,499
State Aid to Libraries - Operating Grant	14-ST-42	45.030	96,099	49,740
Total CSFA 45.030			<u>177,085</u>	<u>90,239</u>
Florida Housing Finance Agency				
State Housing Initiatives Partnership	2011/2012	52.901	350,000	45,948
State Housing Initiatives Partnership	2012/2013	52.901	25,000	24,100
State Housing Initiatives Partnership	2013/2014	52.901	350,000	276,569
State Housing Initiatives Partnership	2014/2015	52.901	350,000	-
Total CSFA 52.901			<u>1,075,000</u>	<u>346,617</u>
Florida Department of Transportation				
Small County Road Assistance Program (SCRAP) - CR-231A	431644-1-58-01	55.016	502,476	-
Small County Outreach Program (SCOP) - CR-240E/240W	426036-1-58-01	55.009	1,166,764	274,795
Transit Service Development Grant	43030119412	55.012	500,000	1,955
State Highway Project Reimbursement - Traffic Signal	2013/2014	55.023	3,223	3,223
Total Florida Department of Transportation			<u>2,172,463</u>	<u>279,973</u>
Total Expenditures of State Financial Assistance				<u>\$ 986,469</u>
Total Expenditures of Federal and State Financial Assistance				<u>\$ 1,170,879</u>

Notes: Expenditures represent allowable costs, determined in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates. The County did not provide awards to sub-recipients.

Other Information

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Solid Waste Management
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Licenses and Permits	\$ 301,720	\$ 301,720	\$ 287,405
Intergovernmental	90,909	90,909	90,909
Charges for Services	158,485	158,485	171,540
Miscellaneous Revenues	17,500	19,245	19,090
FS 129 Statutory Reduction	(23,599)	(23,599)	-
Total Revenues	545,015	546,760	568,944
Expenditures			
Current:			
Physical Environment	857,573	859,318	844,445
Debt Service:			
Principal	24,140	24,140	20,514
Interest	-	-	3,180
Total Expenditures	881,713	883,458	868,139
Excess of Revenues Over (Under) Expenditures	(336,698)	(336,698)	(299,195)
Other Financing Sources (Uses)			
Contributions from Joint Venture	330,000	330,000	330,000
Transfers Out	(68,302)	(68,302)	(68,302)
Total Other Financing Sources (Uses)	261,698	261,698	261,698
Net Change in Fund Balances	(75,000)	(75,000)	(37,497)
Fund Balances -October 1, 2013	75,000	75,000	10,747
Fund Balances -September 30, 2014	\$ -	\$ -	\$ (26,750)

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual – Community Development Block Grant
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ 700,000	\$ 700,000	\$ 7,743
Total Revenues	700,000	700,000	7,743
Expenditures			
Current:			
Economic Environment	767,000	767,000	8,007
Excess of Revenues Over (Under) Expenditures	(67,000)	(67,000)	(264)
Other Financing Sources (Uses)			
Transfers In	-	-	34
Total Other Financing Sources (Uses)	-	-	34
Net Change in Fund Balances	(67,000)	(67,000)	(230)
Fund Balances -October 1, 2013	67,000	67,000	2
Fund Balances -September 30, 2014	\$ -	\$ -	\$ (228)

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - 911 Communications Account
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ 119,000	\$ 221,358	\$ 162,278
Miscellaneous Revenues	-	-	52
FS 129 Statutory Reduction	<u>(1,250)</u>	<u>(1,250)</u>	<u>-</u>
Total Revenues	117,750	220,108	162,330
Expenditures			
Current:			
Public Safety	<u>161,250</u>	<u>263,608</u>	<u>210,726</u>
Total Expenditures	<u>161,250</u>	<u>263,608</u>	<u>210,726</u>
Net Change in Fund Balances	(43,500)	(43,500)	(48,396)
Fund Balances -October 1, 2013	<u>80,000</u>	<u>80,000</u>	<u>99,181</u>
Fund Balances -September 30, 2014	<u>\$ 36,500</u>	<u>\$ 36,500</u>	<u>\$ 50,785</u>

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - County Law Enforcement
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Fines and Forfeitures	\$ 2,000	\$ 2,000	\$ 1,750
Miscellaneous Revenue	-	-	13
FS 129 Statutory Reduction	(100)	(100)	-
Total Revenues	1,900	1,900	1,763
Expenditures			
Current:			
Public Safety	2,500	2,500	-
Total Expenditures	2,500	2,500	-
Net Change in Fund Balances	(600)	(600)	1,763
Fund Balances -Ocotber 1, 2013	20,000	20,000	20,477
Fund Balances -September 30, 2014	\$ 19,400	\$ 19,400	\$ 22,240

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Emergency Management
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ 160,863	\$ 160,863	\$ 157,455
Miscellaneous Revenues	<u>-</u>	<u>7,804</u>	<u>7,804</u>
Total Revenues	160,863	168,667	165,259
Expenditures			
Current:			
Public Safety	<u>220,863</u>	<u>228,667</u>	<u>182,855</u>
Net Change in Fund Balances	(60,000)	(60,000)	(17,596)
Fund Balances -October 1, 2013	<u>60,000</u>	<u>60,000</u>	<u>70,896</u>
Fund Balances -September 30, 2014	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>53,300</u></u>

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Public Library
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes	\$ 109,533	\$ 109,533	\$ 107,260
Intergovernmental	96,168	96,168	96,099
Miscellaneous Revenues	19,000	19,000	16,284
FS 129 Statutory Reduction	<u>(6,427)</u>	<u>(6,427)</u>	<u>-</u>
Total Revenues	218,274	218,274	219,643
Expenditures			
Current:			
Culture and Recreation	<u>305,774</u>	<u>305,774</u>	<u>226,525</u>
Total Expenditures	<u>305,774</u>	<u>305,774</u>	<u>226,525</u>
Excess of Revenues Over (Under) Expenditures	(87,500)	(87,500)	(6,882)
Other Financing Sources (Uses)			
Transfers Out	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>
Net Change in Fund Balances	(90,000)	(90,000)	(9,382)
Fund Balances -October 1, 2013	<u>90,000</u>	<u>90,000</u>	<u>99,661</u>
Fund Balances -September 30, 2014	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>90,279</u></u>

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Landfill Long-Term Care
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Miscellaneous Revenues	\$ -	\$ -	\$ 68
Total Revenues	-	-	68
Expenditures			
Current:			
Physical Environment	26,730	26,730	25,660
Total Expenditures	26,730	26,730	25,660
Excess of Revenues Over (Under) Expenditures	(26,730)	(26,730)	(25,592)
Other Financing Sources (Uses)			
Transfers Out	(208,753)	(263,753)	(263,753)
Net Change in Fund Balances	(235,483)	(290,483)	(289,345)
Fund Balances -October 1, 2013	360,000	360,000	357,065
Fund Balances -September 30, 2014	\$ 124,517	\$ 69,517	\$ 67,720

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Law Library & Court Facilities
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Charges for Services	\$ 2,100	\$ 2,100	\$ 3,334
Miscellaneous Revenues	-	-	2
FS 129 Statutory Reduction	(105)	(105)	-
Total Revenues	1,995	1,995	3,336
Expenditures			
Current:			
Court Related	2,145	2,145	243
Total Expenditures	2,145	2,145	243
Net Change in Fund Balances	(150)	(150)	3,093
Fund Balances -October 1, 2013	150	150	525
Fund Balances -September 30, 2014	\$ -	\$ -	\$ 3,618

Note to Budgetary Comparison Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - Sheriff's Surcharge
For the Year Ended September 30, 2014
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Fines and Forfeitures	\$ 5,800	\$ 5,800	\$ 6,305
Miscellaneous Revenues	-	-	17
FS 129 Statutory Reduction	(290)	(290)	-
Total Revenues	5,510	5,510	6,322
Expenditures			
Current:			
Public Safety	-	40,000	39,800
Total Expenditures	0	40,000	39,800
Net Change in Fund Balances	5,510	(34,490)	(33,478)
Fund Balances -October 1, 2013	45,000	45,000	44,461
Fund Balances -September 30, 2014	\$ 50,510.00	\$ 10,510.00	\$ 10,983

Note to Budgetary Comparison Schedule:

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

**Additional Elements Required by the
Rules of the Auditor General**

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

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

Report on the Financial Statements

We have audited the financial statements of Union County, Florida, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated July 23, 2015.

Because Union County, Florida's management has not acquired an actuarial valuation to determine the amount of its OPEB (Other Postemployment Benefits) liability and has not presented such liability in its government-wide financial statements as required by accounting principles generally accepted in the United States of America, we issued a qualified opinion on the governmental activities. The impact of such departure from generally accepted accounting principles on the liabilities, net assets and expenditures of the government-wide financial statements of Union County, Florida is unknown.

Auditors' Responsibility

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

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance in Accordance with Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated July 23, 2015, should be considered in conjunction with this management letter.

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Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Union County, Florida was established by Chapter 8516, Laws of Florida in 1921. The Clerk of Circuit Court serves as Clerk to the Board pursuant to Section 215.17, Florida Statutes. Union County, Florida included the following component unit: The Union County Special Library District.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not Union County, Florida 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 Union County, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor Union County, Florida'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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for Union County, Florida for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Our audit disclosed the following matters required to be disclosed by the Rules of the Auditor General (Section 10.554(1)(i)2.):

2014-01 – Excess of Expenditures over Appropriations—For the year ended September 30, 2014, the Emergency Medical Service Fund's total expenditures exceeded appropriations by \$405,881. Expenditures over budget in the Emergency Medical Service Funds were caused by write-offs of uncollectible accounts receivable that was not budgeted. We recommend the Union County, Florida amend the budget allowed by Florida Statutes within 60 days of year-end so that expenditures do not exceed appropriations.

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

Union County, Florida's Response to Findings

Union County, Florida's response to the findings identified in our audit are described in the accompanying Management's Corrective Action Plan. Union County, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Letter

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union County, Florida as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Union County, Florida's basic financial statements, and have issued our report thereon dated July 23, 2015.

Because Union County, Florida's management has not acquired an actuarial valuation to determine the amount of its OPEB (Other Postemployment Benefits) liability and has not presented such liability in its government-wide financial statements as required by accounting principles generally accepted in the United States of America, we issued a qualified opinion on the governmental activities. The impact of such departure from generally accepted accounting principles on the liabilities, net assets and expenditures of the government-wide financial statements of Union County, Florida is unknown.

Internal Control over Financial Reporting

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

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

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency [2014-02].

Compliance and Other Matters

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

Union County, Florida's Response to Findings

Union County, Florida's response to the findings identified in our audit are described in the accompanying Management's Corrective Action Plan. Union County, Florida'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.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH SECTION 215.97, FLORIDA STATUTES, AND CHAPTER 10.550,
RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major State Project

We have audited Union County, Florida's compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of Union County, Florida's major State projects for the year ended September 30, 2014. Union County, Florida's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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Opinion on Each Major State Project

In our opinion, Union County, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of Union County, Florida 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 Union County, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Union County, Florida's internal control over compliance.

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

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

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

**UNION COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued:	Qualified	
Internal control over financial reporting:		
• Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
• Significant deficiency(ies) identified?	<u> X </u> Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

State Financial Assistance

Internal control over major state financial assistance projects:		
• Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
• Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None reported
Type of auditors' report issued on compliance for major state financial assistance projects:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, Rules of the Auditor General?	<u> </u> Yes	<u> X </u> No
Identification of major state financial assistance	CSFA No. 52.901, State Housing Initiatives Partnership (SHIP)	
	CSFA No. 55.009, Small County Outreach Program (SCOP)	
Dollar threshold used to distinguish between type A and type B state financial assistance projects:	\$295,941	

Section II. Financial Statement Findings:

2014-02: Accounts Receivable

Criteria: Frequent reconciliation of accounts receivable serves as a check on the accuracy of the record-keeping process and maintains the accounts receivable on a more timely and accurate basis.

Condition: During testing performed on billing and collections related to emergency medical services, we noted that several customer balances in accounts receivable had been adjusted by the third-party billing company but were not adjusted in the accounting system.

UNION COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(Continued)

Cause: There was no formal process in place in the Clerk's finance department to reconcile EMS customer receivables to the general ledger.

Effect: Accounts receivable was overstated and led to the inability to easily track amounts owed to the County.

Context: Several customer balances in the EMS Fund's accounts receivable had been adjusted by the third-party billing company but were not adjusted in the accounting system. We did note the County has transitioned to a new billing company with the intentions of improving collections and managing accounts receivable.

Recommendation: We suggest the County's financial reporting procedures be improved to track invoices billed and collected. Cash collections should be recorded in detail to determine their source and application to the accounts. Procedures should also be established to ensure that accounts receivable balances are reconciled between the general ledger and the third-party billing company's accounts receivable report on a consistent and timely basis. All differences and the reason for such differences should be investigated and resolved as soon as possible. These procedures will assist the County in establishing reliable internal control for the billing and collection of accounts receivable and revenues.

Management's Response: See page 77.

Section III.	State Financial Assistance Findings and Questioned Costs:	None.
Section IV.	State Financial Assistance Summary Schedule of Prior Year Findings:	There were no audit findings for the year ended September 30, 2014.

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Union County Board of County Commissioners' compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2014. Management is responsible for the Union County Board of County Commissioners' compliance with those requirements. Our responsibility is to express an opinion on the Union County Board of County Commissioners' compliance based on our examination.

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

In our opinion, the Union County Board of County Commissioners complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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UNION COUNTY BOARD OF COUNTY COMMISSION

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UCBOCC@WINDSTREAM.NET

July 28, 2015

Sherrill F. Norman, CPA
Auditor General's Office
111 West Madison Street
Tallahassee, Florida 32399-1450

Ms Norman:

This letter is in response to the recent audit of Union County, Florida for the fiscal year ended September 30, 2014 that was conducted by James Moore & Company.

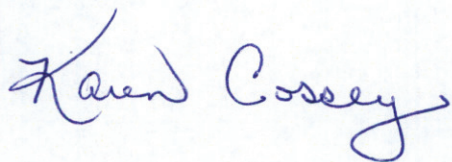
2014-01 - Excess of Expenditures of Appropriations

While we acknowledge that expenditures did exceed budgeted appropriations, it was not due to the over-expending of funds. The excess was the result of a large write-off of bad debts that was accumulated over several years, and was not a true expenditure in the audited year.

2014-02 - Accounts Receivable

The third-party billing company that was used during the year had severe reporting deficiencies. We were unable to reconcile to the amounts provided, and relied on the amounts in our subsidiary ledger. Because of these deficiencies, we terminated the contract with the billing company. The new third-party billing company has provided ample evidence of accurately tracking accounts receivable, and is being paid a commission for the billing and collections. We have internal controls in place with billing and collections processes, and have deemed it unnecessary and inefficient to duplicate the work that the billing company is performing.

Sincerely,



Karen Cossey, Chairwoman
Union County, Florida



Kellie Hendricks Connell, CPA
Union County Clerk of Courts & Comptroller

BOARD MEMBERS:

KAREN COSSEY, District 1, Chairwoman • WOODY KITLER, District 2 • JIMMY TALLMAN, District 3 • WILLIE CROFT District 5

**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
UNION COUNTY CLERK OF THE CIRCUIT COURT
SEPTEMBER 30, 2014**

**Special Purpose Financial Statements
and
Independent Auditors' Report
Union County Clerk of the Circuit Court
September 30, 2014
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Union County Clerk of the Circuit Court, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Clerk of the Circuit Court's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Union County Clerk of the Circuit Court as of September 30, 2014, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information, of Union County, Florida that is attributable to the Union County Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2014, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union County Clerk of the Circuit Court's financial statements. The Combining Statement of Fiduciary Net Position, as listed in the table of contents, is presented for purposes of additional analysis as required by the Government Accounting Standards Board and is not a required part of the financial statements. The Combining Statement of Fiduciary Net Position is

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Clerk of the Circuit Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union County Clerk of the Circuit Court's internal control over financial reporting and compliance.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

**Balance Sheet
Governmental Funds
September 30, 2014
Union County Clerk of the Circuit Court**

	<u>General Fund</u>	<u>Records Modernization</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Equivalents	\$ 379,874	\$ 72,265	\$ 452,139
Receivables	-	-	-
Due From Other Funds	16,833	17,347	34,180
Due From Other Governments	<u>17,050</u>	<u>-</u>	<u>17,050</u>
Total Assets	\$ <u>413,757</u>	\$ <u>89,612</u>	\$ <u>503,369</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 19,688	\$ -	\$ 19,688
Due to Other Funds	15,839	-	15,839
Due to Other Governments	<u>71,131</u>	<u>-</u>	<u>71,131</u>
Total Liabilities	106,658	-	106,658
Fund Balances			
Restricted	<u>307,099</u>	<u>89,612</u>	<u>396,711</u>
Total Fund Balances	<u>307,099</u>	<u>89,612</u>	<u>396,711</u>
Total Liabilities and Fund Balances	\$ <u>413,757</u>	\$ <u>89,612</u>	\$ <u>503,369</u>

The notes to financial statements are integral to this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2014
Union County Clerk of the Circuit Court**

	General Fund	Records Modernization	Total Governmental Funds
Revenues:			
Intergovernmental Revenue	\$ 444,800	\$ -	\$ 444,800
Charges for Services	177,183	10,710	187,893
Fines and Forfeitures	-	6,307	6,307
Miscellaneous Revenue	81	-	81
Total Revenues	622,064	17,017	639,081
Expenditures:			
Current:			
General Government	259,991	-	259,991
Court Related	516,322	-	516,322
Total Expenditures	776,313	-	776,313
Excess Revenues Over (Under) Expenditures	(154,249)	17,017	(137,232)
Other Financing Sources (Uses)			
Appropriation from Board of County Commissioners	282,742	-	282,742
Reversion of Excess Revenue to Department of Revenue	(47,265)	-	(47,265)
Reversion to Board of County Commissioners	(53,374)	-	(53,374)
Total Other Financing Sources (Uses)	182,103	-	182,103
Net Change in Fund Balance	27,854	17,017	44,871
Fund Balances-October 1, 2013	279,245	72,595	351,840
Fund Balances-September 30, 2014	\$ 307,099	\$ 89,612	\$ 396,711

The notes to financial statements are integral to this statement.

**Statement of Fiduciary Net Position
Agency Funds
September 30, 2014
Union County Clerk of the Circuit Court**

	General Agency Fund	Domestic Relations Fund	Registry of Court Fund	Total Agency Funds
Assets				
Cash and Equivalents	\$ 36,012	\$ 2,676	\$ 41,929	\$ 80,617
Receivables	1,563	-	-	1,563
Due From Other Funds	-	44	164	208
Total Assets	37,575	2,720	42,093	82,388
Liabilities				
Assets Held for Others	15,042	-	42,093	57,135
Due to Other Funds	15,960	2,589	-	18,549
Due to Other Governments	6,573	131	-	6,704
Total Liabilities	37,575	2,720	42,093	82,388
Net Position	\$ -	\$ -	\$ -	\$ -

The notes to financial statements are integral to this statement.

Notes to Financial Statements
September 30, 2014
Union County Clerk of the Circuit Court

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

The Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Clerk of the Circuit Court, was established by Chapter 8516, Laws of Florida in 1921.

The Office is an integral part of Union County, the reporting entity for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

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

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

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

Records Modernization Fund - The Records Modernization Fund is used to account for fees charged pursuant to Sections 28.24 and 28.37, Florida Statutes, and related expenditures to modernize the Public Records storage and retrieval system of the County.

Additionally, the Clerk of the Circuit Court reports the following fiduciary funds:

Agency Funds – Used to account for assets held by the Office as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Clerk's Agency Funds are the General Agency Fund, Domestic Relations Fund and Registry of Court Fund.

**Notes to Financial Statements
September 30, 2014
Union County Clerk of the Circuit Court
(Continued)**

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus/Basis of Accounting

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

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

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

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

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

Cash

All cash is placed in banks that qualify 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 throughout the fiscal year.

Accounts Payable

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

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. Actual results could differ from these estimates.

Notes to Financial Statements
September 30, 2014
Union County Clerk of the Circuit Court
(Continued)

Note 1 – Summary of Significant Accounting Policies (concluded)

Fund Balance

Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. At September 30, 2014, fund balances are classified as follows:

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation. For the Office, ending fund balance in the general fund is comprised of IV-D grant reimbursements that are restricted to meet general and court related operational expenditures. Records Modernization fund balance is restricted to be used exclusively for additional clerk and court related operational needs and program enhancements.

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

Compensated Absences

The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government wide financial statements of the County. In the past, compensated absences have been paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available. Gross additions and deletions for compensated absences were not determined, accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year.

Note 2 – Investments

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office had 100 percent of excess deposits in a checking account with one local financial institution.

**Notes to Financial Statements
September 30, 2014
Union County Clerk of the Circuit Court
(Continued)**

Note 3 – Changes in Long-Term Debt

A summary of changes in long-term debt follows:

	<u>Balance 10/01/13</u>	<u>Net Change Increase (Decrease)</u>	<u>Balance 09/30/14</u>	<u>Amount Due Within a Year</u>
Compensated Absences	\$ 44,762	\$ (626)	\$ 44,136	\$ 14,712

Note 4 – Risk Management

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

Note 5 – Excess Revenues

Effective July 1, 2013, all fees, service charges, court costs, and fines collected are to be retained to fund the Clerk's court operations. Based on the legal opinion provided by Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governments.

Note 6 – Pension Plan

Plan Description. The Office contributes to the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing, multiple-employer public employee retirement system administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Pension Plan issues a publicly available financial report that includes financial statements, 10-year historical trend information, and other required supplementary information. That report may be obtained by writing to: State of Florida Department of Administration Division of Retirement, Cedars Executive Center, Building C 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

The Pension Plan provides vesting of benefits after six years of creditable service. Regular members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Regular members who joined the Pension Plan on or after July 1, 2011 are subject to vesting of benefits after eight years of creditable service and eligible for normal retirement after eight years of service and attaining age 65, or 33 years of service regardless of age.

Notes to Financial Statements
September 30, 2014
Union County Clerk of the Circuit Court
(Continued)

Note 6 – Pension Plan (concluded)

The Deferred Retirement Option Program (DROP), implemented on July 1, 1998, is a program that allows the employee to retire without terminating employment for up to five years while retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5% for FRS Pension Plan members with an effective DROP begin date before July 1, 2011. For FRS Pension Plan members with an effective DROP begin date on or after July 1, 2011, the annual rate is 1.3%. This program is available to eligible members of the Florida Retirement System who are in the FRS Pension Plan. Employee participation in DROP does not change the employee's condition of employment. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive the accumulated DROP benefits and begin receiving monthly retirement benefits. Eligible members may participate in DROP when they reached the normal retirement date. If an employee reaches normal retirement before the age of 57, the employee may elect to defer the DROP election until age 57.

As of June 1, 2003, the FRS offered members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Investment Plan provides vesting of benefits after one year of creditable service. Employees were eligible to make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. The rates for the Investment Plan are the same as the Pension Plan.

Funding Policy. The Office and plan members are required to contribute at an actuarially determined rate. Employer contribution rates of the Office are applicable to wages earned, as follows:

	<u>10/1/13 - 6/30/14</u>	<u>7/1/14 - 9/30/14</u>
Regular Employees	6.95%	7.37%
DROP Employees	12.84%	12.28%
Special Risk Employees	19.06%	19.82%
Senior Management Employees	18.31%	21.14%
Elected Officials	33.03%	43.24%

Employee contribution rates are 3% of applicable wages earned. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013, and 2012 were \$65,048, \$71,443 and \$20,989, respectively, and are equal to the required contributions for each year.

**Notes to Financial Statements
September 30, 2014
Union County Clerk of the Circuit Court
(Concluded)**

Note 7 – Interfund Balance

At September 30, 2014, interfund balances consisted of:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 16,833	\$ 15,839
Special Revenue Funds:		
Records Modernization	17,347	-
Agency Funds:		
General Agency	-	15,960
Domestic Relations	44	2,589
Registry of Court	164	-
Total	<u>\$ 34,388</u>	<u>\$ 34,388</u>

Note 8 – Budgets and Budgetary Accounting

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

Required Supplementary Information

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - General Fund
Budget and Actual
For the Year Ended September 30, 2014
Union County Clerk of the Circuit Court**

	Budgeted Amounts		
	Original	Final	Actual
Revenues:			
Intergovernmental	\$ 415,732	\$ 441,058	\$ 444,800
Charges for Services	136,345	136,345	177,183
Miscellaneous Revenue	-	-	81
Total Revenues	552,077	577,403	622,064
Expenditures			
Current:			
General Government Services	298,867	290,142	259,991
Court Related	496,573	521,900	516,322
Total Expenditures	795,440	812,042	776,313
Excess Revenues Over (Under) Expenditures	(243,363)	(234,639)	(154,249)
Other Financing Sources (Uses)			
Appropriations From Board of County Commissioners	291,467	282,742	282,742
Reversion of Excess Revenue to Department of Revenue	-	-	(47,265)
Reversion to Board of County Commissioners	(15,600)	(15,600)	(53,374)
Total Other Financing Sources (Uses)	275,867	267,142	182,103
Net Change in Fund Balances	32,504	32,503	27,854
Fund Balance - October 1, 2013	257,447	257,447	279,245
Fund Balance - September 30, 2014	\$ 289,951	\$ 289,950	\$ 307,099

Notes to Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances – Records Modernization
Budget and Actual
For the Year Ended September 30, 2014
Union County Clerk of the Circuit Court**

	Budgeted Amounts		Actual
	Original	Final	
Revenues:			
Charges for Services	\$ -	\$ -	\$ 10,710
Fines and Forfeitures	-	-	6,307
Total Revenues	-	-	17,017
Expenditures			
Current:			
Court Related	-	-	-
Total Expenditures	-	-	-
Excess Revenues Over (Under) Expenditures	-	-	17,017
Fund Balance - October 1, 2013	62,464	62,464	72,595
Fund Balance - September 30, 2014	\$ 62,464	\$ 62,464	\$ 89,612

Notes to Schedule:

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

Supplemental Information

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2014
Union County Clerk of the Circuit Court

	General Agency Fund	Domestic Relations Fund	Registry of Court Fund	Total Agency Funds
Assets				
Cash and Equivalents	\$ 36,012	\$ 2,676	\$ 41,929	\$ 80,617
Receivables	1,563	-	-	1,563
Due From Other Funds	-	44	164	208
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	37,575	2,720	42,093	82,388
Liabilities				
Assets Held for Others	15,042	-	42,093	57,135
Due to Other Funds	15,960	2,589	-	18,549
Due to Other Governments	6,573	131	-	6,704
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	37,575	2,720	42,093	82,388
	<hr/>	<hr/>	<hr/>	<hr/>
Net Position	\$ -	\$ -	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Additional Elements Required by the
Rules of the Auditor General**

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

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

Report on the Financial Statements

We have audited the financial statements of the Union County Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated July 23, 2015.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in this report, which is dated July 23, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

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

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County Clerk of the Circuit Court is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Clerk of the Circuit Court, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Clerk of the Circuit Court to be disclosed as required by accounting principles generally accepted in the United States of America.

Other Matters

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

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

Purpose of this Letter

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Union County Clerk of the Circuit Court as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Clerk of the Circuit Court's special purpose financial statements, and have issued our report thereon dated July 23, 2015, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

James More & Co. P.L.

Gainesville, Florida
July 23, 2015

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Union County Clerk of the Circuit Court's compliance with the requirements of Section 28.35, 28.36 and 218.415, Florida Statutes, for the year ended September 30, 2014. Management is responsible for the Union County Clerk of the Circuit Court's compliance with those requirements. Our responsibility is to express an opinion on the Union County Clerk of the Circuit Court's compliance based on our examination.

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

In our opinion, the Union County Clerk of the Circuit Court complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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

UNION COUNTY SHERIFF

SEPTEMBER 30, 2014

**Special Purpose Financial Statements
And
Independent Auditors' Report**

Union County Sheriff

September 30, 2014

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Union County Sheriff, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Union County Sheriff as of September 30, 2014, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information, of Union County, Florida, that is attributable to the Union County Sheriff. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2014, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union County Sheriff's internal control over financial reporting and compliance.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

**Balance Sheet
Governmental Funds
September 30, 2014
Union County Sheriff**

	<u>General Fund</u>	<u>Special Revenue Inmate Welfare Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Equivalents	\$ 127,753	\$ 38,596	\$ 166,349
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 117,801	\$ -	\$ 117,801
Due to Other Governments	9,952	-	9,952
Total Liabilities	127,753	-	127,753
Fund Balances			
Restricted	-	38,596	38,596
Unassigned	-	-	-
Total Fund Balances	-	38,596	38,596
Total Liabilities and Fund Balances	\$ 127,753	\$ 38,596	\$ 166,349

The notes to financial statements are integral to this statement.

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

	<u>General Fund</u>	<u>Special Revenue Inmate Welfare Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Charges for Services	\$ -	\$ 4,487	\$ 4,487
Total Revenues	-	4,487	4,487
Expenditures			
Current:			
General Government	18,039	-	18,039
Public Safety	1,942,612	-	1,942,612
Total Expenditures	1,960,651	-	1,960,651
Excess Revenues Over (Under) Expenditures	(1,960,651)	4,487	(1,956,164)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	1,970,603	-	1,970,603
Reversion to Board of County Commissioners	(9,952)	-	(9,952)
Total Other Financing Sources (Uses)	1,960,651	-	1,960,651
Net Change in Fund Balances	-	4,487	4,487
Fund Balances - October 1, 2013	-	34,109	34,109
Fund Balances - September 30, 2014	\$ -	\$ 38,596	\$ 38,596

The notes to financial statements are integral to this statement.

**Statement of Fiduciary Net Position
September 30, 2014
Union County Sheriff**

	<u>Agency Fund</u>
Assets	
Cash and Equivalents	\$ 19,092
Liabilities	
Assets Held For Others	3,025
Due to Other Governments	<u>16,067</u>
Total Liabilities	<u>19,092</u>
Net Position	\$ <u><u>-</u></u>

The notes to financial statements are integral to this statement.

**Notes to Financial Statements
September 30, 2014
Union County Sheriff**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Sheriff, was established by Chapter 8516, Laws of Florida in 1921.

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental funds; there are no nonmajor governmental funds:

Governmental Funds

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

Special Revenue Fund - The Special Revenue Fund is used to account for the inmate welfare funds that are generated by phone commissions. The profits can only be spent for the benefit of the inmates.

Additionally, the Sheriff reports the following fund type:

Fiduciary Funds

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

**Notes to Financial Statements
September 30, 2014
Union County Sheriff
(Continued)**

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus/Basis of Accounting

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

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

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

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. 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 throughout the fiscal year.

Capital Assets and Long-Term Liabilities

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

Capital assets are defined by the County as items with an individual cost of \$1,000 or more and an estimated useful life of one year or more. Current acquisitions of general fixed assets are valued at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair value on the date donated.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Vehicles	3-7
Building and Improvements	20
Computer software	5-10
Machinery and Equipment	3-10

Notes to Financial Statements
September 30, 2014
Union County Sheriff
(Continued)

Note 1 - Summary of Significant Accounting Policies (concluded)

Accounts Payable

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

Fund Balance

Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. At September 30, 2014, fund balances of the governmental funds are classified as follows:

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation. For the Office, Inmate Welfare funds are restricted to be disbursed to benefit inmates.

Unassigned - amounts to be spent at the discretion of the Office. In as much as the Sheriff is a county constitutional officer, any funds remaining in the general fund at the end of the fiscal year are returned to the Board of County Commissioners.

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

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. Actual results could differ from those estimates.

Compensated Absences

The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time for full-time employees. Employees are allowed to accumulate a maximum of 320 hours of annual leave. In addition, any employee with ten years of full-time creditable service is entitled to be paid for 25% of his or her accrued sick leave, up to a maximum of 960 hours, upon separation from employment. Since the annual and sick leave liability is considered long-term, it is recorded in the government wide financial statements of the County. In the past, compensated absences have been paid out of the General Fund of the Office and this practice is expected to continue in the future. Gross additions and deletions for compensated absences were not determined, accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year.

Notes to Financial Statements
September 30, 2014
Union County Sheriff
(Continued)

Note 2 - Investments

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office had 100 percent of excess deposits in a checking account with one local financial institution.

Note 3 - Deferred Compensation Plan

The Office offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all of the Office's employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. During the fiscal year, employees contributed \$27,952 into the deferred compensation plan. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all income attributable to those amounts, and all property and rights are (until paid or made available to the employee or other beneficiary) exclusively held for employees.

Note 4 - Risk Management

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

Note 5 - Changes in Capital Assets

A summary of changes in capital assets follows:

	Balance 10/1/13	Increases	Decreases	Balance 9/30/14
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 1,038,874	\$ 52,692	\$ 90,996	\$ 1,000,570
Building and Improvements	22,317	-	-	22,317
Vehicles	881,266	80,175	104,728	856,713
Computer Software	103,475	2,895	-	106,370
Total Capital Assets Being Depreciated	2,045,932	135,762	195,724	1,985,970
Less Accumulated Depreciation For:				
Machinery and Equipment	650,313	154,697	90,521	714,489
Building and Improvements	2,232	1,116	-	3,348
Vehicles	637,139	74,871	102,339	609,671
Computer Software	76,432	241	-	76,673
Total Accumulated Depreciation	1,366,116	230,925	192,860	1,404,181
Total Capital Assets, Net	\$ 679,816	\$ (95,163)	\$ 2,864	\$ 581,789

Notes to Financial Statements
September 30, 2014
Union County Sheriff
(Continued)

Note 5 - Changes in Capital Assets (concluded)

Depreciation expense of \$230,925 was charged to the public safety function of the County.

Note 6 - Changes in Long-Term Debt

A summary of changes in long-term debt follows:

	<u>Balance</u> <u>10/1/13</u>	<u>Net Change</u> <u>Increase (Decrease)</u>	<u>Balance</u> <u>9/30/14</u>	<u>Amount Due</u> <u>in One Year</u>
Compensated Absences	\$ 75,010	\$ (626)	\$ 74,384	\$ 24,795

Note 7 - Pension Plan

Plan Description. The Office contributes to the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing, multiple-employer public employee retirement system administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Pension Plan issues a publicly available financial report that includes financial statements, 10-year historical trend information, and other required supplementary information. That report may be obtained by writing to: State of Florida Department of Administration Division of Retirement, Cedars Executive Center, Building C 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

The Pension Plan provides vesting of benefits after six years of creditable service. Regular members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Regular members who joined the Pension Plan on or after July 1, 2011 are subject to vesting of benefits after eight years of creditable service and eligible for normal retirement after eight years of service and attaining age 65, or 33 years of service regardless of age.

The Deferred Retirement Option Program (DROP), implemented on July 1, 1998, is a program that allows the employee to retire without terminating employment for up to five years while retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5% for FRS Pension Plan members with an effective DROP begin date before July 1, 2011. For FRS Pension Plan members with an effective DROP begin date on or after July 1, 2011, the annual rate is 1.3%. This program is available to eligible members of the Florida Retirement System who are in the FRS Pension Plan. Employee participation in DROP does not change the employee's condition of employment. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive the accumulated DROP benefits and begin receiving monthly retirement benefits. Eligible members may participate in DROP when they have reached the normal retirement date. If an employee reaches normal retirement before the age of 57, the employee may elect to defer the DROP election until age 57.

**Notes to Financial Statements
September 30, 2014
Union County Sheriff
(Concluded)**

Note 7 - Pension Plan (concluded)

As of June 1, 2003, the FRS offered members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Investment Plan provides vesting of benefits after one year of creditable service. Employees were eligible to make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. The rates for the Investment Plan are the same as the Pension Plan.

Funding Policy. The Office and plan members are required to contribute at an actuarially determined rate. Employer contribution rates of the Office are applicable to wages earned, as follows:

	<u>10/1/13-6/30/14</u>	<u>7/1/14-9/30/14</u>
Regular Employees	6.95%	7.37%
DROP Employees	12.84%	12.28%
Special Risk Employees	19.06%	19.82%
Senior Management Employees	18.31%	21.14%
Elected Officials	33.03%	43.24%

Employee contribution rates are 3% of applicable wages earned. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013, and 2012 were \$143,380, \$103,462 and \$90,514 respectively, and are equal to the required contributions for each year.

Note 8 – Budgets and Budgetary Accounting

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund. In that the Inmate Welfare expenditures are restricted by Florida Statutes, there was no budget approved by the Board of County Commissioners. All budget amounts presented in the accompanying special purpose financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting. The Sheriff annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total budget appropriations at the individual fund level. All appropriations lapse at year-end.

Required Supplementary Information

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

	Budgeted Amounts		
	Original	Final	Actual
Revenues	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
Current:			
General Government	23,465	23,465	18,039
Public Safety	1,814,594	1,947,138	1,942,612
Total Expenditures	1,838,059	1,970,603	1,960,651
Excess of Revenues Over (Under) Expenditures	(1,838,059)	(1,970,603)	(1,960,651)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	1,838,059	1,970,603	1,970,603
Reversion to Board of County Commissioners	-	-	(9,952)
Total Other Financing Sources (Uses)	1,838,059	1,970,603	1,960,651
Net Change in Fund Balances	-	-	-
Fund Balances - October 1, 2013	-	-	-
Fund Balances - September 30, 2014	\$ -	\$ -	\$ -

Notes to Schedule:

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

**Schedule of Revenues, Expenditures and
Changes in Fund Balances – Inmate Welfare Fund
Budget and Actual
For the Year Ended September 30, 2014
Union County Sheriff**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Charges for Services	\$ -	\$ -	\$ 4,487
Total Revenues	-	-	4,487
Expenditures			
Current:			
Public Safety	-	-	-
Total Expenditures	-	-	-
Net Change in Fund Balances	-	-	4,487
Fund Balances - October 1, 2013	-	-	34,109
Fund Balances - September 30, 2014	\$ -	\$ -	\$ 38,596

Notes to Schedule:

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

Supplemental Information

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

	<u>Fines & Bonds Fund</u>	<u>Individual / Suspense</u>	<u>Total Agency Funds</u>
Assets			
Cash and Equivalents	\$ 3,025	\$ 16,067	\$ 19,092
Liabilities			
Assets Held For Others	3,025	-	3,025
Due to Other Governments	<u>-</u>	<u>16,067</u>	<u>16,067</u>
Total Liabilities	<u>3,025</u>	<u>16,067</u>	<u>19,092</u>
Net Position	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**Additional Elements Required by the
Rules of the Auditor General**

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

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

Report on the Financial Statements

We have audited the financial statements of the Union County Sheriff, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated July 23, 2015.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in this report, which is dated July 23, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

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Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Sheriff, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Sheriff to be disclosed as required by accounting principles generally accepted in the United States of America.

Other Matters

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

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

Purpose of this Letter

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Union County Sheriff as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Sheriff's special purpose financial statements, and have issued our report thereon dated July 23, 2015, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Union County Sheriff's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2014. Management is responsible for the Union County Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Union County Sheriff's compliance based on our examination.

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

In our opinion, the Union County Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
UNION COUNTY TAX COLLECTOR
SEPTEMBER 30, 2014**

**Special Purpose Financial Statements
and
Independent Auditors' Report**

Union County Tax Collector

September 30, 2014

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Union County Tax Collector, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Tax Collector's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Union County Tax Collector as of September 30, 2014, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information, of Union County, Florida that is attributable to the Union County Tax Collector. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2014, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an

Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union County Tax Collector's internal control over financial reporting and compliance.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

**Balance Sheet
Governmental Funds
September 30, 2014
Union County Tax Collector**

	<u>General Fund</u>
Assets	
Cash and Equivalents	\$ <u>1,245</u>
Liabilities and Fund Balance	
Liabilities	
Due to Other Governments	\$ <u>1,245</u>
Total Liabilities	1,245
Fund Balance	
Unassigned	<u>-</u>
Total Liabilities and Fund Balance	\$ <u><u>1,245</u></u>

The notes to financial statements are integral to this statement.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2014
Union County Tax Collector

	<u>General Fund</u>
Revenues	
Charges for Services	\$ 208,741
Miscellaneous Revenue	<u>1,572</u>
Total Revenues	210,313
Expenditures	
Current:	
General Government	<u>313,920</u>
Total Expenditures	<u>313,920</u>
Excess Revenues Over (Under) Expenditures	(103,607)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	104,852
Reversion to Board of County Commissioners	<u>(1,245)</u>
Total Other Financing Sources (Uses)	<u>103,607</u>
Net Change in Fund Balance	-
Fund Balance - October 1, 2013	<u>-</u>
Fund Balance - September 30, 2014	\$ <u><u>-</u></u>

The notes to financial statements are integral to this statement.

Statement of Fiduciary Net Position
September 30, 2014
Union County Tax Collector

	<u>Agency Fund</u>
Assets	
Cash and Equivalents	\$ 114,381
Liabilities	
Assets Held For Others	<u>114,381</u>
Net Position	\$ <u><u>-</u></u>

The notes to financial statements are integral to this statement.

**Notes to Financial Statements
September 30, 2014
Union County Tax Collector**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Tax Collector, was established by Chapter 8516, Laws of Florida in 1921.

The Office is an integral part of Union County, the reporting entity for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

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

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

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

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

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

Notes to Financial Statements
September 30, 2014
Union County Tax Collector
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus/Basis of Accounting

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

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

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

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

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. 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 throughout the fiscal year.

Accounts Payable

Accounts payable balances, if any, in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

Notes to Financial Statements
September 30, 2014
Union County Tax Collector
(Continued)

Note 1 - Summary of Significant Accounting Policies (concluded)

Fund Balance

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

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. Actual results could differ from these estimates.

Compensated Absences

The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government wide financial statements of the County. In the past, compensated absences have been paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available. Gross additions and deletions for compensated absences were not determined, accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year.

Note 2 - Investments

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office had 100 percent of excess deposits in a checking account with one local financial institution.

Note 3 - Changes in Long-Term Debt

A summary of changes in long-term debt follows:

	<u>Balance</u> <u>10/01/13</u>	<u>Net Change</u> <u>Increase (Decrease)</u>	<u>Balance</u> <u>09/30/14</u>	<u>Due Within</u> <u>One Year</u>
Compensated Absences	\$ 4,634	\$ (302)	\$ 4,332	\$ 1,444

Notes to Financial Statements
September 30, 2014
Union County Tax Collector
(Continued)

Note 4 - Risk Management

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

Note 5 - Pension Plan

Plan Description. The Office contributes to the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing, multiple-employer public employee retirement system administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Pension Plan issues a publicly available financial report that includes financial statements, 10-year historical trend information, and other required supplementary information. That report may be obtained by writing to: State of Florida Department of Administration Division of Retirement, Cedars Executive Center, Building C 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

The Pension Plan provides vesting of benefits after six years of creditable service. Regular members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Regular members who joined the Pension Plan on or after July 1, 2011 are subject to vesting of benefits after eight years of creditable service and eligible for normal retirement after eight years of service and attaining age 65, or 33 years of service regardless of age.

The Deferred Retirement Option Program (DROP), implemented on July 1, 1998, is a program that allows the employee to retire without terminating employment for up to five years while retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5% for FRS Pension Plan members with an effective DROP begin date before July 1, 2011. For FRS Pension Plan members with an effective DROP begin date on or after July 1, 2011, the annual rate is 1.3%. This program is available to eligible members of the Florida Retirement System who are in the FRS Pension Plan. Employee participation in DROP does not change the employee's condition of employment. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive the accumulated DROP benefits and begin receiving monthly retirement benefits. Eligible members may participate in DROP when they have reached the normal retirement date. If an employee reaches normal retirement before the age of 57, the employee may elect to defer the DROP election until age 57.

As of June 1, 2003, the FRS offered members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements,

Notes to Financial Statements
September 30, 2014
Union County Tax Collector
(Concluded)

Note 5 - Pension Plan (concluded)

vesting eligibility, and benefit provisions. The Investment Plan provides vesting of benefits after one year of creditable service. Employees were eligible to make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. The rates for the Investment Plan are the same as the Pension Plan.

Funding Policy. The Office and plan members are required to contribute at an actuarially determined rate. Employer contribution rates of the Office are applicable to wages earned, as follows:

	<u>10/1/13 - 6/30/14</u>	<u>7/1/14 - 9/30/14</u>
Regular Employees	6.95%	7.37%
DROP Employees	12.84%	12.28%
Special Risk Employees	19.06%	19.82%
Senior Management Employees	18.31%	21.14%
Elected Officials	33.03%	43.24%

Employee contribution rates are 3% of applicable wages earned. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013, and 2012 were \$40,491, \$18,333 and \$10,996, respectively, and are equal to the required contributions for each year.

Note 6 – Budgets and Budgetary Accounting

Section 195.087, Florida Statutes, governs the preparation, adoption, and administration of the Tax Collector's annual budget. The budget and subsequent budget amendments of the Tax Collector are submitted to the Florida Department of Revenue for approval. A copy of the budget is furnished to the Board at the same time.

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriations categories (personal services, operating expenditures, capital outlay, debt service, and nonoperating) must be approved in writing by the Florida Department of Revenue. Transfers between expense items within the same appropriation category do not need written approval from the Florida Department of Revenue. The budget is prepared on the modified accrual basis of accounting. General Fund appropriations lapse at the close of the fiscal year to the extent they have not been expended.

Required Supplementary Information

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - General Fund
Budget and Actual
For the Year Ended September 30, 2014
Union County Tax Collector**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Charges for Services	\$ 211,924	\$ 211,924	\$ 208,741
Miscellaneous Revenue	1,211	1,211	1,572
Total Revenues	213,135	213,135	210,313
Expenditures			
Current:			
General Government	314,322	314,322	313,920
Total Expenditures	314,322	314,322	313,920
Excess of Revenues Over (Under) Expenditures	(101,187)	(101,187)	(103,607)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	104,852	104,852	104,852
Reversion to Board of County Commissioners	(3,665)	(3,665)	(1,245)
Total Other Financing Sources (Uses)	101,187	101,187	103,607
Net Change in Fund Balances	-	-	-
Fund Balances - October 1, 2013	-	-	-
Fund Balances - September 30, 2014	\$ -	\$ -	\$ -

Notes to Schedule:

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

**Additional Elements Required by the
Rules of the Auditor General**

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

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

Report on the Financial Statements

We have audited the financial statements of the Union County Tax Collector, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated July 23, 2015.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in this report, which is dated July 23, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

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Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Union County Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Tax Collector, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Tax Collector to be disclosed as required by accounting principles generally accepted in the United States of America.

Other Matters

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

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

Purpose of this Letter

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Union County Tax Collector as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Tax Collector's special purpose financial statements, and have issued our report thereon dated July 23, 2015, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Union County Tax Collector's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2014. Management is responsible for the Union County Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Union County Tax Collector's compliance based on our examination.

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

In our opinion, the Union County Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
UNION COUNTY PROPERTY APPRAISER
SEPTEMBER 30, 2014**

**Special Purpose Financial Statements
and
Independent Auditors' Report
Union County Property Appraiser
September 30, 2014**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Union County Property Appraiser, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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

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entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Union County, Florida that is attributable to the Union County Property Appraiser. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2014, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union County Property Appraiser's internal control over financial reporting and compliance.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

**Balance Sheet
Governmental Fund
September 30, 2014
Union County Property Appraiser**

	General Fund
Assets	
Cash	\$ <u>9,483</u>
Total Assets	\$ <u><u>9,483</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable and Accrued Expenditures	\$ 3,626
Due to Other Governments	<u>5,857</u>
Total Liabilities	9,483
Fund Balance	
Unassigned	<u>-</u>
Total Liabilities and Fund Balance	\$ <u><u>9,483</u></u>

The notes to financial statements are integral to this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2014
Union County Property Appraiser**

	General Fund
Revenues	
Charges for Services	\$ 8,578
Miscellaneous Revenue	281
Total Revenues	<u>8,859</u>
Expenditures	
Current:	
General Government	<u>370,325</u>
Excess Revenues Over (Under) Expenditures	(361,466)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	367,323
Reversion to Board of County Commissioners	(5,750)
Reversion to Other Governments	<u>(107)</u>
Total Other Financing Sources (Uses)	<u>361,466</u>
Net Change in Fund Balance	-
Fund Balance - October 1, 2013	<u>-</u>
Fund Balance - September 30, 2014	\$ <u><u>-</u></u>

The notes to financial statements are integral to this statement.

Notes to Financial Statements
September 30, 2014
Union County Property Appraiser

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Property Appraiser, was established by Chapter 8516, Laws of Florida in 1921.

The Office is an integral part of Union County, the reporting entity for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

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

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

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

Measurement Focus/Basis of Accounting

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

Notes to Financial Statements
September 30, 2014
Union County Property Appraiser
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus/Basis of Accounting (concluded)

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

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

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

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. 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 throughout the fiscal year.

Accounts Payable

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

Fund Balance

Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Property Appraiser is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners by reducing the subsequent year appropriation.

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. Actual results could differ from those estimates.

Notes to Financial Statements
September 30, 2014
Union County Property Appraiser
(Continued)

Note 1 - Summary of Significant Accounting Policies (concluded)

Compensated Absences

The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. In the past, compensated absences have been paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available. Gross additions and deletions for compensated absences were not determined, accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year.

Note 2 - Investments

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office had 100 percent of excess deposits in a checking account with one local financial institution.

Note 3 – Changes in Long-Term Debt

A summary of changes in long-term debt follows:

	<u>Balance</u> <u>10/01/13</u>	<u>Net Change</u> <u>Increase (Decrease)</u>	<u>Balance</u> <u>9/30/14</u>	<u>Amount Due</u> <u>Within One Year</u>
Compensated Absences	\$ 15,392	\$ 1,093	\$ 16,485	\$ 5,495

Note 4 - Risk Management

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

Notes to Financial Statements
September 30, 2014
Union County Property Appraiser
(Continued)

Note 5 - Pension Plan

Plan Description. The Office contributes to the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing, multiple-employer public employee retirement system administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Pension Plan issues a publicly available financial report that includes financial statements, 10-year historical trend information, and other required supplementary information. That report may be obtained by writing to: State of Florida Department of Administration Division of Retirement, Cedars Executive Center, Building C 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

The Pension Plan provides vesting of benefits after six years of creditable service. Regular members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Regular members who joined the Pension Plan on or after July 1, 2011 are subject to vesting of benefits after eight years of creditable service and eligible for normal retirement after eight years of service and attaining age 65, or 33 years of service regardless of age.

The Deferred Retirement Option Program (DROP), implemented on July 1, 1998, is a program that allows the employee to retire without terminating employment for up to five years while retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5% for FRS Pension Plan members with an effective DROP begin date before July 1, 2011. For FRS Pension Plan members with an effective DROP begin date on or after July 1, 2011, the annual rate is 1.3%. This program is available to eligible members of the Florida Retirement System who are in the FRS Pension Plan. Employee participation in DROP does not change the employee's condition of employment. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive the accumulated DROP benefits and begin receiving monthly retirement benefits. Eligible members may participate in DROP when they have reached the normal retirement date. If an employee reaches normal retirement before the age of 57, the employee may elect to defer the DROP election until age 57.

As of June 1, 2003, the FRS offered members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Investment Plan provides vesting of benefits after one year of creditable service. Employees were eligible to make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. The rates for the Investment Plan are the same as the Pension Plan.

**Notes to Financial Statements
September 30, 2014
Union County Property Appraiser
(Concluded)**

Note 5 - Pension Plan (concluded)

Funding Policy. The Office and plan members are required to contribute at an actuarially determined rate. Employer contribution rates of the Office are applicable to wages earned, as follows:

	<u>10/1/13 - 6/30/14</u>	<u>7/1/14 - 9/30/14</u>
Regular Employees	6.95%	7.37%
DROP Employees	12.84%	12.28%
Special Risk Employees	19.06%	19.82%
Senior Management Employees	18.31%	21.14%
Elected Officials	33.03%	43.24%

Employee contribution rates are 3% of applicable wages earned. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013, and 2012 were \$43,796, \$22,681 and \$16,474, respectively, and are equal to the required contributions for each year.

Note 6 – Budgets and Budgetary Accounting

Section 195.087, Florida Statutes, governs the preparation, adoption, and administration of the Property Appraiser's annual budget. The budget and subsequent budget amendments of the Property Appraiser are submitted to the Florida Department of Revenue for approval. A copy of the budget is furnished to the Board at the same time.

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriations categories (personal services, operating expenditures, capital outlay, debt service, and nonoperating) must be approved in writing by the Florida Department of Revenue. Transfers between expense items within the same appropriation category do not need written approval from the Florida Department of Revenue. The budget is prepared on the modified accrual basis of accounting. General Fund appropriations lapse at the close of the fiscal year to the extent they have not been expended.

Required Supplementary Information

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - General Fund
Budget and Actual
For the Year Ended September 30, 2014
Union County Property Appraiser**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Charges for Services	\$ -	\$ 7,000	\$ 8,578
Miscellaneous Revenue	-	4,000	281
Total Revenues	-	11,000	8,859
Expenditures			
Current:			
General Government	381,391	378,323	370,325
Excess Revenues Over (Under) Expenditures	(381,391)	(367,323)	(361,466)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	381,391	367,323	367,323
Reversion to Board of County Commissioners	-	-	(5,750)
Reversion to Other Governments	-	-	(107)
Total Other Financing Sources (Uses)	381,391	367,323	361,466
Net Change in Fund Balance	-	-	-
Fund Balance - October 1, 2013	-	-	-
Fund Balance - September 30, 2014	\$ -	\$ -	\$ -

Notes to Schedule:

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

**Additional Elements Required by the
Rules of the Auditor General**

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

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

Report on the Financial Statements

We have audited the financial statements of the Union County Property Appraiser, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated July 23, 2015.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in this report, which is dated July 23, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Union County Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Property Appraiser, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Property Appraiser to be disclosed as required by accounting principles generally accepted in the United States of America.

Other Matters

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

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

Purpose of this Letter

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the general fund of the Union County Property Appraiser as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Property Appraiser's special purpose financial statements, and have issued our report thereon dated July 23, 2015, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Union County Property Appraiser's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2014. Management is responsible for the Union County Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Union County Property Appraiser's compliance based on our examination.

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

In our opinion, the Union County Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
UNION COUNTY SUPERVISOR OF ELECTIONS
SEPTEMBER 30, 2014**

**Special Purpose Financial Statements
and
Independent Auditors' Report
Union County Supervisor of Elections
September 30, 2014**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the Union County Supervisor of Elections, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Supervisor of Elections' financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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.

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Union County, Florida, that is attributable to the Union County Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Union County, Florida as of September 30, 2014, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report on our consideration of the Union County Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters included under the heading Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other

Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Union County Supervisor of Elections' internal control over financial reporting and compliance.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

**Balance Sheet
Governmental Fund
September 30, 2014
Union County Supervisor of Elections**

	General Fund
Assets	
Cash and Equivalents	\$ 2,902
Total Assets	\$ 2,902
Liabilities and Fund Balances	
Accounts Payable and Accrued Expenditures	\$ 2,333
Due to Other Governments	569
Total Liabilities	2,902
Fund Balances	
Unassigned	-
Total Fund Balances	-
Total Liabilities and Fund Balance	\$ 2,902

The notes to financial statements are integral to this statement.

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

	General Fund
Revenues	
Intergovernmental Revenue	\$ 7,474
Charges for Services	556
Miscellaneous Revenue	58
	<hr/>
Total Revenue	8,088
Expenditures	
Current:	
General Government	296,719
	<hr/>
Total Expenditures	296,719
	<hr/>
Excess Revenues Over (Under) Expenditures	(288,631)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	289,200
Reversion to Board of County Commissioners	(569)
	<hr/>
Total Other Financing Sources (Uses)	288,631
	<hr/>
Net Change in Fund Balance	-
Fund Balance - October 1, 2013	-
	<hr/>
Fund Balance - September 30, 2014	\$ <hr/> <hr/>

The notes to financial statements are integral to this statement.

Notes to Financial Statements
September 30, 2014
Union County Supervisor of Elections

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Supervisor of Elections, was established by Chapter 8516, Laws of Florida in 1921.

The Office is an integral part of Union County, the reporting entity for financial reporting purposes.

Basis of Presentation

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

Fund Accounting

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

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

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

Measurement Focus/Basis of Accounting

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

Notes to Financial Statements
September 30, 2014
Union County Supervisor of Elections
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus/Basis of Accounting (concluded)

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

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

Capital Assets and Long-Term Liabilities

Capital assets used by the Office are capitalized (recorded and accounted for) by the Union County Board of County Commissioners.

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

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. 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 throughout the fiscal year.

Accounts Payable

Accounts Payable balances in the general fund are primarily payable to third-party vendors for goods provided and services rendered.

Fund Balance

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

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. Actual results could differ from those estimates.

Notes to Financial Statements
September 30, 2014
Union County Supervisor of Elections
(Continued)

Note 1 - Summary of Significant Accounting Policies (concluded)

Compensated Absences

The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available. Gross additions and deletions for compensated absences were not determined, accordingly, only the net change in the accumulated value of compensated absences is shown for the current fiscal year.

Note 2 - Investments

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office had 100 percent of excess deposits in a checking account with one local financial institution.

Note 3 - Changes in Long-Term Debt

A summary of changes in long-term debt follows:

	<u>Balance</u> <u>10/01/13</u>	<u>Net Change</u> <u>Increase (Decrease)</u>	<u>Balance</u> <u>09/30/14</u>	<u>Amount Due</u> <u>Within a Year</u>
Compensated				
Absences	\$ 2,667	\$ 817	\$ 3,484	\$ 1,161

Note 4 - Risk Management

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

Note 5 - Pension Plan

Plan Description. The Office contributes to the Florida Retirement System Pension Plan (Pension Plan), a cost-sharing, multiple-employer public employee retirement system administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions.

Notes to Financial Statements
September 30, 2014
Union County Supervisor of Elections
(Continued)

Note 5 - Pension Plan (continued)

The Pension Plan issues a publicly available financial report that includes financial statements, 10-year historical trend information, and other required supplementary information. That report may be obtained by writing to: State of Florida Department of Administration Division of Retirement, Cedars Executive Center, Building C 2639 North Monroe Street, Tallahassee, Florida 32399-1560.

The Pension Plan provides vesting of benefits after six years of creditable service. Regular members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Regular members who joined the Pension Plan on or after July 1, 2011 are subject to vesting of benefits after eight years of creditable service and eligible for normal retirement after eight years of service and attaining age 65, or 33 years of service regardless of age.

The Deferred Retirement Option Program (DROP), implemented on July 1, 1998, is a program that allows the employee to retire without terminating employment for up to five years while retirement benefits accumulate and earn interest compounded monthly at an effective annual rate of 6.5% for FRS Pension Plan members with an effective DROP begin date before July 1, 2011. For FRS Pension Plan members with an effective DROP begin date on or after July 1, 2011, the annual rate is 1.3%. This program is available to eligible members of the Florida Retirement System who are in the FRS Pension Plan. Employee participation in DROP does not change the employee's condition of employment. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive the accumulated DROP benefits and begin receiving monthly retirement benefits. Eligible members may participate in DROP when they have reached the normal retirement date. If an employee reaches normal retirement before the age of 57, the employee may elect to defer the DROP election until age 57.

As of June 1, 2003, the FRS offered members the option of participating in the Florida Retirement System Investment Plan (Investment Plan), a defined contribution plan qualified under Section 401(a) of the Internal Revenue Code. The Investment Plan is administered by the state of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The Investment Plan provides vesting of benefits after one year of creditable service. Employees were eligible to make an election to participate in the Investment Plan instead of the Pension Plan. Existing employees may make the election beginning December 1, 2003. New employees may make the election within five months of their month of hire. Participants in the Investment Plan also have a one-time opportunity to switch back to the Pension Plan at any time by "buying back" into the Pension Plan. The rates for the Investment Plan are the same as the Pension Plan.

Notes to Financial Statements
September 30, 2014
Union County Supervisor of Elections
(Concluded)

Note 5 - Pension Plan (concluded)

Funding Policy. The Office and plan members are required to contribute at an actuarially determined rate. Employer contribution rates of the Office are applicable to wages earned, as follows:

	<u>10/1/13 - 6/30/14</u>	<u>7/1/14 - 9/30/14</u>
Regular Employees	6.95%	7.37%
DROP Employees	12.84%	12.28%
Special Risk Employees	19.06%	19.82%
Senior Management Employees	18.31%	21.14%
Elected Officials	33.03%	43.24%

Employee contribution rates are 3% of applicable wages earned. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013, and 2012 were \$32,955, \$14,988 and \$11,693, respectively, and are equal to the required contributions for each year.

Note 6 – Budgets and Budgetary Accounting

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

Required Supplementary Information

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

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental Revenue	\$ -	\$ 7,474	\$ 7,474
Charges for Services	-	556	556
Miscellaneous Revenue	-	22	58
Total Revenue	-	8,052	8,088
Expenditures			
Current:			
General Government	277,267	297,252	296,719
Total Expenditures	277,267	297,252	296,719
Excess Revenues Over (Under) Expenditures	(277,267)	(289,200)	(288,631)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	277,267	289,200	289,200
Reversion to Board of County Commissioners	-	-	(569)
Total Other Financing Sources (Uses)	277,267	289,200	288,631
Net Change in Fund Balances	-	-	-
Fund Balance (Deficit) - October 1, 2013	-	-	-
Fund Balance - September 30, 2014	\$ -	\$ -	\$ -

Notes to Schedule:

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

**Additional Elements Required by the
Rules of the Auditor General**

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

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

Report on the Financial Statements

We have audited the financial statements of the Union County Supervisor of Elections, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated July 23, 2015.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in this report, which is dated July 23, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

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Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Union County Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. Union County, including the Office of the Supervisor of Elections, was established by Chapter 8516, Laws of Florida in 1921. There are no component units of the Union County Supervisor of Elections to be disclosed as required by accounting principles generally accepted in the United States of America.

Other Matters

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

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

Purpose of this Letter

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the general fund of the Union County Supervisor of Elections as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Union County Supervisor of Elections' special purpose financial statements, and have issued our report thereon dated July 23, 2015, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Union County Supervisor of Election's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2014. Management is responsible for the Union County Supervisor of Election's compliance with those requirements. Our responsibility is to express an opinion on the Union County Supervisor of Election's compliance based on our examination.

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

In our opinion, the Union County Supervisor of Election complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

James Moore & Co. P.L.

Gainesville, Florida
July 23, 2015

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