

UNION COUNTY, FLORIDA

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

FISCAL YEAR ENDED SEPTEMBER 30, 2015

**Financial Statements
and
Independent Auditors' Report**

Union County, Florida

September 30, 2015

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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, 2015, 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, 2015, 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, 2015, 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

Change in Accounting Principle

As discussed in Note 10 to the financial statements, in 2015, Union County, Florida adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

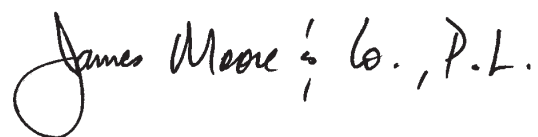
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Union County, Florida's basic financial statements. The supplemental information, schedule of expenditures of federal awards and state financial assistance, as required by Section 215.97, 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 14, 2016, 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Gainesville, Florida
July 14, 2016

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, 2015 by \$13,417,256 (net position). Of this amount unrestricted net position amounted to \$(2,117,466) due to the implementation of GASB 68. As a result of implementing GASB 68, the county recorded its proportionate share of the Florida Retirement System's net pension liability of \$4,158,469.
- The County's long-term debt obligations decreased by \$217,762.
- As of September 30, 2015, the County's governmental funds reported combined ending fund balances of \$4,045,464. Fund balances saw an increase of \$621,644 when compared to the prior year. One fund reported a negative fund balance totaling \$80,436.
- The County purchased capital assets of buildings, equipment, vehicles and library materials in the amount of \$687,085.

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.

Management's Discussion and Analysis (Unaudited)

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".

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 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.

Management's Discussion and Analysis (Unaudited)

Governmental Funds (continued)

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	
	2015	2014 (restated)
Assets:		
Current and Other Assets	\$ 5,043,863	\$ 4,506,864
Capital Assets	<u>13,998,886</u>	<u>14,637,968</u>
Total Assets	<u>19,042,749</u>	<u>19,144,832</u>
Deferred Outflow of Resources	<u>1,342,256</u>	<u>877,769</u>
Liabilities:		
Long-Term Liabilities Outstanding	979,060	1,196,822
Other Liabilities	<u>5,043,800</u>	<u>3,413,944</u>
Total Liabilities	<u>6,022,860</u>	<u>4,610,766</u>
Deferred Inflow of Resources	<u>944,889</u>	<u>2,364,435</u>
Net Position:		
Net Investment in Capital Assets	13,523,234	14,028,961
Restricted	2,011,488	2,065,030
Unrestricted	<u>(2,117,466)</u>	<u>(3,046,591)</u>
Total Net Position	<u>\$ 13,417,256</u>	<u>\$ 13,047,400</u>

Approximately 101% percent of the County's net position reflects its investment in capital assets (e.g. land, buildings, improvements, infrastructure, vehicles and equipment) 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 balances, \$(2,117,466) is unrestricted net position and \$2,011,488 is restricted net position that is constrained by grant agreements, Florida Statutes or enabling legislation.

Significant increases in other liabilities shown above are the result of recording the county's proportionate share of the Florida Retirement System's net pension liability.

Management's Discussion and Analysis (Unaudited)

Government-Wide Financial Analysis (concluded)

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	
	2015	2014 (restated)
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,514,207	\$ 1,534,273
Operating Grants and Contributions	4,858,842	1,760,797
General Revenues:		
Property Taxes	2,255,997	2,174,315
Other Taxes	1,463,135	1,369,907
Other Revenues	663,396	3,629,588
Total Revenues	10,755,577	10,468,880
Expenses:		
General Government	1,821,632	1,956,378
Public Safety	4,085,368	4,618,584
Physical Environment	966,071	688,432
Economic Environment	614,340	416,130
Transportation	1,430,543	1,757,493
Human Services	295,673	385,461
Culture and Recreation	315,316	298,346
Court Related	839,158	828,901
Interest on Long-Term Debt	17,620	24,614
Total Expenses	10,385,721	10,974,339
Changes in Net Position	369,856	(505,459)
Net Position - October 1 (restated)	13,047,400	13,552,859
Net Position - September 30	\$ 13,417,256	\$ 13,047,400

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, 2015, the County's governmental funds reported combined ending fund balances of \$4,045,464 an increase of \$621,644 in comparison with the prior year. Of the ending fund balance, \$1,759,524 is considered unassigned and can be spent at the discretion of the Board and \$1,759,524 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, 2015, the unassigned fund balance of the General Fund was \$1,839,960. 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 33% of total General Fund expenditures. As of September 30, 2015, the fund balance of the General Fund increased by \$467,022 when compared to the prior fiscal year ending fund balance due to decreases in expenditures.

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 increased by \$10,498. This fund has a positive ending fund balance of \$10,767.

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 increased by \$101,930. The increase can be attributed to an increase in charges for services. The ending fund balance of the EMS Fund was \$42,719.

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 \$72,067. This increase is attributed to no expenditures being made during the fiscal year. The Special Law Enforcement Fund had an ending fund balance of \$1,209,398.

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 decreased \$61,399. The fund balance in the Transportation Trust Fund was \$206,058 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 increased \$58,043 due to a decrease in expenditures. The fund balance in Five-Cent Gas Tax was \$274,796 at year end.

Management's Discussion and Analysis (Unaudited)

Financial Analysis of the County's Funds (continued)

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 \$563,436 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, 2015 amounted to \$13,998,886 (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:

- Software and licenses for a total cost of \$42,550.
- The Sheriff purchased four vehicles for a total cost of \$130,837.
- The County completed widening and resurfacing of several roads for a total cost of \$242,765.

The following is a summary of the County's Capital Assets:

	Governmental Activities	
	2015	2014 (restated)
Land	\$ 1,077,564	\$ 1,077,564
Buildings and Improvements	7,276,610	7,170,244
Infrastructure - Roads	10,440,570	10,440,570
Vehicles	3,189,717	3,400,524
Library Materials	240,682	225,639
Machinery and Equipment	3,488,604	3,403,956
Assets Under Capital Lease	429,638	411,638
Construction in Progress	268,035	25,270
Total	\$ 26,411,420	\$ 26,155,405

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

Management's Discussion and Analysis (Unaudited)

Financial Analysis of the County's Funds (concluded)

Long-Term Debt

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

	Governmental Activities	
	2015	2014 (restated)
Compensated Absences	\$ 360,313	\$ 377,532
Landfill Long-Term Costs	143,095	211,679
Capital Lease Obligations	342,846	368,006
Notes Payable	132,806	239,605
Total	\$ 979,060	\$ 1,196,822

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.

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, 2015
Union County, Florida**

	<u>Governmental Activities</u>
Assets	
Cash and Equivalents	\$ 2,990,555
Investments	714,335
Accounts Receivables, Net	154,151
Due from Other Governments	1,031,188
Due from Fiduciary Activities	40,566
Prepaid Expenses	113,068
Capital Assets:	
Non-Depreciable	1,345,599
Depreciable, Net	<u>12,653,287</u>
Total Assets	<u>19,042,749</u>
Deferred Outflow of Resources	<u>1,342,256</u>
Liabilities	
Accounts Payable and Accrued Liabilities	682,547
Due to Other Governments	112,751
Unearned Revenue	90,033
Noncurrent Liabilities:	
Net Pension Liability	4,158,469
Due Within One Year	315,433
Due in More Than One Year	<u>663,627</u>
Total Liabilities	<u>6,022,860</u>
Deferred Inflow of Resources	<u>944,889</u>
Net Position	
Net Investment in Capital Assets	13,523,234
Restricted for:	
Public Safety	1,335,096
Economic Environment	18,757
Transportation	433,414
Culture and Recreation	92,714
Court Related	131,507
Unrestricted	<u>(2,117,466)</u>
Total Net Position	<u><u>\$ 13,417,256</u></u>

The notes to financial statements are integral to this statement

**Statement of Activities
For the Year Ended September 30, 2015
Union County, Florida**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Governmental Activities
Governmental Activities:					
General Government	\$ 1,821,632	\$ 368,716	\$ 405,266	\$ -	\$ (1,047,650)
Public Safety	4,085,368	868,327	306,442	-	(2,910,599)
Physical Environment	966,071	183,136	90,909	-	(692,026)
Economic Environment	614,340	-	630,508	-	16,168
Transportation	1,430,543	290	-	246,086	(1,184,167)
Human Services	295,673	-	-	-	(295,673)
Culture and Recreation	315,316	-	165,200	-	(150,116)
Court Related	839,158	93,738	-	-	(745,420)
Interest on Long-Term Debt	17,620	-	-	-	(17,620)
Total	\$ 10,385,721	\$ 1,514,207	\$ 1,598,325	\$ 246,086	(7,027,103)
General Revenues:					
					2,255,997
Property Taxes					542,031
Sales Taxes					856,492
Gas Taxes					64,612
Telecommunication Tax					527,404
Licenses and Permits					3,014,431
Shared Revenues-Unrestricted					83,444
Fines and Forfeitures					52,548
Miscellaneous					
Total General Revenues					7,396,959
Change in Net Position					369,856
Net Position - Beginning of Year, as restated					13,047,400
Net Position - End of Year					\$ 13,417,256

The notes to financial statements are integral to this statement

**Fund Financial
Statements**

Balance Sheet
Governmental Funds
September 30, 2015
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			
Assets									
Cash and Equivalents	\$ 1,351,318	\$ 20,340	\$ 224,369	\$ 495,063	\$ 191,058	\$ 133,592	\$ 574,815	\$ 2,990,555	
Investments	-	-	-	714,335	-	-	-	714,335	
Accounts Receivable	18,724	-	133,976	-	-	-	1,451	154,151	
Due From Other Governments	436,594	-	-	-	52,031	253,945	288,618	1,031,188	
Due From Other Funds	566,860	-	35,326	-	119	-	25,673	627,978	
Total Assets	\$ 2,373,496	\$ 20,340	\$ 393,671	\$ 1,209,398	\$ 243,208	\$ 387,537	\$ 890,557	\$ 5,518,207	
Liabilities and Fund Balances									
Liabilities									
Accounts Payable	\$ 301,747	\$ -	\$ 56,712	\$ -	\$ 37,150	\$ 112,741	\$ 174,197	\$ 682,547	
Due to Other Governments	93,841	-	108	-	-	-	18,802	112,751	
Due to Other Funds	49,820	-	213,672	-	-	-	323,920	587,412	
Unearned Revenue	-	9,573	80,460	-	-	-	-	90,033	
Total Liabilities	445,408	9,573	350,952	-	37,150	112,741	516,919	1,472,743	
Fund Balances									
Restricted	88,128	10,767	42,719	1,209,398	206,058	274,796	388,069	2,219,935	
Assigned	-	-	-	-	-	-	66,005	66,005	
Unassigned	1,839,960	-	-	-	-	-	(80,436)	1,759,524	
Total Fund Balances	1,928,088	10,767	42,719	1,209,398	206,058	274,796	373,638	4,045,464	
Total Liabilities and Fund Balances	\$ 2,373,496	\$ 20,340	\$ 393,671	\$ 1,209,398	\$ 243,208	\$ 387,537	\$ 890,557	\$ 5,518,207	

The notes to financial statements are integral to this statement.

**Reconciliation of the Balance Sheet
to the Statement of Net Position
September 30, 2015
Union County, Florida**

Total Fund Balances - Governmental Funds	\$	4,045,464
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital Assets used in governmental activities are not financial resources and, therefore, not reported in the fund financial statements		13,998,886
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Expenditures relating to future periods are charged to the period in which it was paid (Prepaid Expenses)		113,068
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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	\$	(132,806)
Capital Leases		(342,846)
Long-Term Monitoring of Landfill		(143,095)
Compensated Absences		(360,313)

Total Long-Term Liabilities		(979,060)
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Deferred Outflow of Resources		1,342,256
Deferred Inflow of Resources		(944,889)
Net Pension Liabilities		(4,158,469)

Total Net Position of Governmental Activities	\$	13,417,256
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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, 2015
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	\$ 2,752,495	\$ -	\$ -	\$ -	\$ 469,541	\$ 386,951	\$ 110,145	\$ 3,719,132	
Licenses and Permits	49,643	-	193,426	-	-	-	284,335	527,404	
Intergovernmental	2,999,941	412,125	5,040	-	3,530	242,766	865,440	4,528,842	
Charges for Services	525,745	-	789,160	-	290	-	199,012	1,514,207	
Fines and Forfeitures	-	-	-	65,819	-	-	17,625	83,444	
Miscellaneous Revenues	31,649	9,769	1,011	6,248	376	-	29,903	78,956	
Total Revenues	6,359,473	421,894	988,637	72,067	473,737	629,717	1,506,460	10,451,985	
Expenditures									
Current:									
General Government	1,918,931	-	-	-	-	-	-	1,918,931	
Public Safety	2,419,068	-	1,160,628	-	-	-	476,978	4,056,674	
Physical Environment	126,928	-	-	-	-	-	882,989	1,009,917	
Economic Environment	6,279	397,896	-	-	-	-	210,165	614,340	
Transportation	-	-	-	-	819,162	244,597	-	1,063,759	
Human Services	285,797	-	-	-	-	-	-	285,797	
Culture and Recreation	112,347	-	-	-	-	-	240,782	353,129	
Court Related	721,157	-	-	-	-	-	30,726	751,883	
Debt Service:									
Principal	55,721	-	22,504	-	32,468	-	21,266	131,959	
Interest	2,727	-	870	-	11,596	-	2,427	17,620	
Total Expenditures	5,648,955	397,896	1,184,002	-	863,226	244,597	1,865,333	10,204,009	
Excess of Revenues Over (Under) Expenditures	710,518	23,998	(195,365)	72,067	(389,489)	385,120	(358,873)	247,976	
Other Financing Sources (Uses)									
Contribution from Joint Venture	-	-	-	-	-	-	330,000	330,000	
Sale of Capital Assets	7,785	-	28,090	-	1,013	-	6,948	43,836	
Transfers In	62,955	-	269,205	-	327,077	-	77,363	736,600	
Transfers Out to Others	(168)	-	-	-	-	-	-	(168)	
Transfers Out	(314,068)	(13,500)	-	-	-	(327,077)	(81,955)	(736,600)	
Total Other Financing Sources (Uses)	(243,496)	(13,500)	297,295	-	328,090	(327,077)	332,356	373,668	
Net Change in Fund Balances	467,022	10,498	101,930	72,067	(61,399)	58,043	(26,517)	621,644	
Fund Balances - 10/1/2014 (restated)	1,461,066	269	(59,211)	1,137,331	267,457	216,753	400,155	3,423,820	
Fund Balances - 9/30/2015	\$ 1,928,088	\$ 10,767	\$ 42,719	\$ 1,209,398	\$ 206,058	\$ 274,796	\$ 373,638	\$ 4,045,464	

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, 2015
Union County, Florida**

Net Change in Fund Balances - Governmental Funds	\$ 621,644
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	687,085
Current Year Depreciation Expense	(1,255,923)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment does not affect net position of governmental activities	
Principal Payments	131,959
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	(28,744)
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	17,219
Landfill Long-Term Care Costs	68,584
Net Change in Pension Expense	198,276
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	<u>(70,244)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 369,856</u></u>

The notes to financial statements are integral to this statement.

**Statement of Fiduciary Net Position
September 30, 2015
Union County, Florida**

	<u>Agency Funds</u>
Assets	
Cash and Equivalents	\$ 301,351
Receivables	3,041
Due From Other Funds	<u>175</u>
Total Assets	304,567
 Liabilities and Net Position	
Liabilities	
Assets Held For Others	\$ 250,903
Accounts Payable	12,203
Due to Other Governments	720
Due to Other Funds	<u>40,741</u>
Total Liabilities	<u>304,567</u>
Net Position	\$ <u><u>-</u></u>

The notes to financial statements are integral to this statement.

Notes to Financial Statements
September 30, 2015
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, 2015
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, 2015
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 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 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, 2015
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 \$133,976 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 \$20,175 as accounts receivable in other funds.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items 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 are 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, 2015
Union County, Florida
(Continued)**

Note 1 - Summary of Significant Accounting Policies (continued)

Assets, Liabilities and Fund Balance (continued)

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.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only item in this category consisted of deferred amounts related to pension, as discussed further in Note (10).

**Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)**

Note 1 - Summary of Significant Accounting Policies (concluded)

Assets, Liabilities and Fund Balance (concluded)

Deferred outflows/inflows of resources (concluded)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the two items in this category are unavailable revenues, which will be recognized as inflows of resources in the period that the amounts become available, and deferred inflows of resources related to pensions, as discussed further in Note (10).

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

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.

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, 2015, the County had \$714,335 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.

**Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)**

Note 3 - Interfund Balances and Transfers

Transfers from/to other funds for the year ended September 30, 2015 were as follows:

Recipient Fund	Amount Transferred	Reason for Transfer
Emergency Medical Services	\$ 269,205	Transfer from General Fund to aid in operating costs
Transportation Trust	327,077	Transfer from 5-Cent Gas to cover road expenditures
Emergency Management	13,693	Transfer from General Fund to aid in operating costs
Landfill Long-Term Care	32,500	Transfer from Solid Waste to fund closure monitoring
911	31,170	Transfer from General Fund to aid in operating costs
General Fund	49,455	Transfer from Solid Waste for operations
General Fund	13,500	Transfer from Local Housing for reimbursement of admin costs
	<u>\$ 736,600</u>	

As of September 30, 2015, interfund balances consisted of:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 566,860	\$ 49,820
Special Revenue Funds		
Major Funds:		
Emergency Medical	35,326	213,672
Transportation Trust	119	-
Non-Major Funds:		
Solid Waste	5,600	194,108
County Law Enforcement	189	-
Emergency Management	8,587	7,584
Public Library	-	7,319
911	7,520	37,097
Sheriff Surcharge	913	-
Law Library	119	-
Clerk Records Modernization	2,745	30,550
Sheriff Intergovernmental Shared Revenue	-	47,262
Agency Funds:		
Clerk of the Court Agency	-	24,088
Clerk Domestic Relations	-	2,558
Clerk Registry of Court	175	-
Sheriff Individual & Suspense	-	14,095
Total	<u>\$ 628,153</u>	<u>\$ 628,153</u>

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

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.

Note 6 – Capital Assets

Capital assets activity for the year ended September 30, 2015 was as follows:

Governmental Activities:	Balance 10/1/14	Beginning Balance Adjustments	Adjusted Beginning Balance	Increases	Decreases	Balance 9/30/15
Capital Assets, Not Being Depreciated:						
Land	\$ 1,077,564	-	\$ 1,077,564	\$ -	\$ -	\$ 1,077,564
Construction in Progress	-	25,270	25,270	242,765	-	268,035
Total Capital Assets Not Being Depreciated	1,077,564	25,270	1,102,834	242,765	-	1,345,599
Capital Assets Being Depreciated:						
Buildings and Improvements	7,170,244	-	7,170,244	106,366	-	7,276,610
Infrastructure - Roads	10,465,840	(25,270)	10,440,570	-	-	10,440,570
Vehicles	3,350,524	50,000	3,400,524	149,062	(359,869)	3,189,717
Library Materials	225,639	-	225,639	15,043	-	240,682
Machinery and Equipment	3,403,956	-	3,403,956	155,849	(71,201)	3,488,604
Assets Under Capital Lease	461,638	(50,000)	411,638	18,000	-	429,638
Total Capital Assets Being Depreciated	25,077,841	(25,270)	25,052,571	444,320	(431,070)	25,065,821
Less Accumulated Depreciation For:						
Buildings and Improvements	3,180,823	-	3,180,823	176,350	-	3,357,173
Infrastructure - Roads	2,888,476	-	2,888,476	521,643	-	3,410,119
Vehicles	2,709,554	24,167	2,733,721	195,924	(297,544)	2,632,101
Library Materials	146,016	-	146,016	15,484	-	161,500
Machinery and Equipment	2,491,219	-	2,491,219	303,558	(63,282)	2,731,495
Assets Under Capital Lease	101,349	(24,167)	77,182	42,964	-	120,146
Total Accumulated Depreciation	11,517,437	-	11,517,437	1,255,923	(360,826)	12,412,534
Total Capital Assets, Net of Depreciation	13,560,404	(25,270)	13,535,134	(811,603)	(70,244)	12,653,287
Governmental Activities Capital Assets, Net	\$ 14,637,968	\$ -	\$ 14,637,968	\$ (568,838)	\$ (70,244)	\$ 13,998,886

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 6 – Capital Assets (concluded)

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

Governmental Activities	
General Government	\$ 54,047
Court Related	87,962
Public Safety	392,666
Physical Environment	34,107
Transportation	619,173
Human Services	9,876
Culture and Recreation	58,092
	<hr/>
Total Depreciation Expense	\$ 1,255,923
	<hr/> <hr/>

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.

Note 8 - Long-Term Liabilities

Notes Payable

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

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.	\$ 15,994
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.	44,903
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.	18,362
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.	53,547
	<hr/>
Total	\$ 132,806
	<hr/> <hr/>

**Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)**

Note 8 - Long-Term Liabilities (concluded)

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

Year Ending September 30,	Principal	Interest	Total
2016	\$ 88,941	\$ 4,273	\$ 93,215
2017	43,098	1,261	44,359
2018	767	3	769
Total	\$ 132,806	\$ 5,537	\$ 138,343

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, 2015 are as follows:

Year Ending September 30,	Amount
2016	\$ 34,841
2017	171,131
2018	157,089
Total Minimum Lease Payments	363,061
Less: Amount Representing Interest	20,215
Present Value of Minimum Lease Payments	<u>\$ 342,846</u>

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, 2015:

	Balance 10/1/14 (restated)	Additions	Reductions	Balance 9/30/15	Due Within One Year
Notes Payable	\$ 239,605	\$ -	\$ 106,799	\$ 132,806	\$ 88,941
Capital Lease Obligations	368,006	-	25,160	342,846	34,841
Landfill Long-Term Care Costs	211,679	-	68,584	143,095	71,547
Compensated Absences	377,532	-	17,219	360,313	120,104
Net Pension Liability	3,959,378	199,091	-	4,158,469	-
Total Long-Term Liabilities	\$ 5,156,200	\$ 199,091	\$ 217,762	\$ 5,137,529	\$ 315,433

The total interest incurred for the year ended September 30, 2015 was \$17,620.

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

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 3 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 \$71,547 per year, are expected to be incurred for a period of approximately 2 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.

The County is required to deposit the annual estimate in a separate fund to pay for these costs. The County carried over cash of \$67,720 from fiscal year ending September 30, 2014 to fiscal year ending September 30, 2015. During the fiscal year, the County deposited \$32,500 into the landfill escrow account, earned interest of \$60 and expended \$27,466 related to monitoring costs.

Note 10 – Florida Retirement System

(1) General Information about the Pension Plan— Essentially all regular employees of the County are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the County are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2014, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 10 – Florida Retirement System (Continued)

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected County Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 10 – Florida Retirement System (Continued)

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

CLASS	PERCENT OF GROSS SALARY	
	EMPLOYEE	EMPLOYER (A)
FRS - Regular	3.00%	7.37%
FRS - Special Risk Regular	3.00%	19.82%
FRS - EOC County	3.00%	43.24%
FRS - SMSC	3.00%	21.14%
DROP - Applicable to members from all of the above	0.00%	12.28%
FRS - Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.26% for the postemployment HIS (health insurance subsidy. Also, employer rates, other than for DROP participants include 0.03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

The County's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the County. The County's contributions for the fiscal years ended September 30, 2015, 2014 and 2013, totaled \$608,041, \$566,270, and \$425,647 respectively, which were equal to the required contributions for each fiscal year.

There were 7 County participants in the Investment Plan during the 2014-15 fiscal year. The County's contributions including employee contributions to the Investment Plan totaled \$22,455.

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 10 – Florida Retirement System (Continued)

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

(2) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions— At September 30, 2015, the County reported a liability of \$4,158,469 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating County, actuarially determined. At June 30, 2015 and June 30, 2014, the County's FRS proportion was 0.02178706 and 0.020146997 percent, respectively. At June 30, 2015 and June 30, 2014, the County's HIS proportion was 0.013182168 and 0.013298568 percent, respectively. For the year ended September 30, 2015, the County recognized pension expense of \$385,652. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 10 – Florida Retirement System (Continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
FRS - Change of Assumptions	\$ 186,781	\$ -
FRS - Net difference between projected and actual earnings on pension plan investments	-	671,959
FRS - Change in proportion and differences between County contributions and proportionate share of contributions	591,197	151,095
FRS - Difference between expected and actual experience	297,085	66,742
FRS - County contributions subsequent to the measurement date	134,814	-
HIS - Change of assumptions	105,767	-
HIS - Net difference between projected and actual earnings on pension plan investments	728	-
HIS - Changes in proportion and differences between County contributions and proportionate share of contributions	8,917	55,093
HIS - County contributions subsequent to the measurement date	<u>16,967</u>	<u>-</u>
Total	<u>\$ 1,342,256</u>	<u>\$ 944,889</u>

The \$134,814 and \$16,967 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Amount</u>
2016	\$ (119,893)
2017	(119,893)
2018	(119,893)
2019	434,346
2020	130,330
Thereafter	<u>40,589</u>
Total	<u>\$ 245,586</u>

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

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 10 – Florida Retirement System (Continued)

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 4.29%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The long-term rate of return is the arithmetic return.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.00%	3.20%
Fixed Income	18.00%	4.80%
Global Equities	53.00%	8.50%
Real Estate	10.00%	6.80%
Private Equity	6.00%	11.90%
Strategic Investments	12.00%	6.70%
Total	<u>100.00%</u>	

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 10 – Florida Retirement System (Concluded)

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's FRS and HIS proportionate share of the net pension liability calculated using the current discount rate, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.65%)	FRS Current Discount Rate (7.65%)	1% Increase (8.65%)
County's FRS proportionate share of net pension liability (asset)	\$ 7,291,958	\$ 2,814,094	\$ (912,222)

	1% Decrease (2.80%)	HIS Current Discount Rate (3.80%)	1% Increase (4.8%)
County's HIS proportionate share of net pension liability	\$ 1,531,851	\$ 1,344,375	\$ 1,188,046

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

Restatement of Net Position. GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, in September 2012, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after September 15, 2014 and therefore were implemented this year. The impact on the governmental activities September 30, 2014, unrestricted net position was a decrease of \$3,959,378.

**Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)**

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 2015. 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, 2015 (latest available information), is hereafter presented:

Total Assets	\$	285,392
Total Liabilities	\$	12,825
Total Net Position	\$	272,567
Total Revenues	\$	329,443
Total Expenses	\$	389,716
Change in Net Position	\$	(60,273)

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.

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 12 – Joint Venture (Concluded)

The county received distributions (host fees) from the Association in the amount of \$330,000 in fiscal year 2015. The Association's condensed financial information, as of and for the year ended September 30, 2015 (latest available information), is hereafter presented:

Total Assets	\$	49,491,148
Total Deferred Outflow of Resources	\$	140,766
Total Liabilities	\$	20,668,837
Total Deferred Inflow of Resources	\$	60,694
Total Net Position	\$	28,902,383
Total Revenues	\$	7,983,161
Total Non-Operating Revenues (Expenses)	\$	(242,179)
Total Expenses	\$	8,436,220
Change in Net Position	\$	(695,238)
Prior Period Adjustment	\$	(582,477)

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.

Note 13 – 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:

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, 2015 the County had the following restrictions on fund balances:

Restricted for:	General Fund	Local Housing Assistance Trust	Emergency Medical Services	Special Law Enforcement	Transportation Trust	Five-Cent Gas Tax	Non-Major Funds
Public Safety	\$ -	\$ -	\$ 42,719	\$ 1,209,398	\$ -	\$ -	\$ 103,215
Physical Environment	-	-	-	-	-	-	72,814
Economic Environment	-	10,767	-	-	-	-	7,990
Transportation	-	-	-	-	206,058	274,796	-
Culture and Recreation	-	-	-	-	-	-	122,803
Court Related	88,128	-	-	-	-	-	81,247
	<u>\$ 88,128</u>	<u>\$ 10,767</u>	<u>\$ 42,719</u>	<u>\$ 1,209,398</u>	<u>\$ 206,058</u>	<u>\$ 274,796</u>	<u>\$ 388,069</u>

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 13 – 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. At September 30, 2015 the County reported \$66,005 in assigned fund balance which represents excess transfers from the General Fund to the Emergency Management Fund.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund. The Solid Waste Fund reported a negative fund balance of \$80,436.

Note 14 – Restatement

The beginning fund balance at October 1, 2014 of the Five-Cent Gas Tax Fund was increased by \$25,270 for grant revenue that should have been recognized in the prior year.

The beginning balance of Total Net Position of Governmental Activities was restated as follows:

Balance at October 1, 2014	\$ 16,980,112
Grant Revenue not recognized in prior year (Five-Cent Gas Tax)	25,270
Correction of error in beginning balance of notes payable	1,396
Proportionate share of net pension liability (implementation of GASB 68)	<u>(3,959,378)</u>
Restated Balance at October 1, 2014	<u>\$ 13,047,400</u>

Note 15 – Future Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, effective for the County's fiscal year beginning October 1, 2015. The objective of Statement No. 72 is to address 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 County is currently evaluating the effect that Statement No. 72 will have on its financial statements.

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 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, effective for the County's fiscal year beginning October 1, 2016. The objective of Statement No. 73 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 County is currently evaluating the effect that Statement No. 73 will have on its financial statements.

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Continued)

Note 15 – Future Accounting Pronouncements (continued)

In June 2015, the GASB issued both Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the County's fiscal year beginning October 1, 2016. The objective of Statement No. 74 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 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 County is currently evaluating the effect that Statement No. 74 and 75 will have on its financial statements.

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 beginning October 1, 2015. The objective of Statement No. 76 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 County is currently evaluating the effect that Statement No. 76 will have on its financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for the County's fiscal year beginning October 1, 2016. The objective of Statement No. 77 is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The County is currently evaluating the effect that Statement No. 77 will have on its financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for the County's fiscal year beginning October 1, 2016. The objective of Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide

Notes to Financial Statements
September 30, 2015
Union County, Florida
(Concluded)

Note 15 – Future Accounting Pronouncements (continued)

pensions through the pension plan). This Statement establishes the requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The County is currently evaluating the effect that Statement No. 78 will have on its financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, effective for the County's fiscal year beginning October 1, 2016. The objective of Statement No. 79 is to address accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The County is currently evaluating the effect that Statement No. 79 will have on its financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements For Certain Component Units-An Amendment of GASB Statement No. 14*, effective for the County's fiscal year beginning October 1, 2016. The objective of Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The County is currently evaluating the effect that Statement No. 80 will have on its financial statements.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for the County's fiscal year beginning October 1, 2017. The objective of Statement No. 81 is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the government. The County is currently evaluating the effect that Statement No. 81 will have on its financial statements.

In March 2016, the GASB issued Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for the County's fiscal year beginning October 1, 2016. The objective of Statement No. 82 is the address certain issues that have been raised with respect to Statements No. 67, No. 68 and No. 73. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The County is currently evaluating the effect that Statement No. 82 will have on its financial statements.

Required Supplementary Information

**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes	\$ 2,751,014	\$ 2,751,014	\$ 2,752,495
Licenses and Permits	50,000	50,000	49,643
Intergovernmental	2,911,885	2,941,314	2,999,941
Charges for Services	520,123	731,168	525,745
Miscellaneous Revenues	25,007	25,116	31,649
FS 129 Statutory Reduction	(263,993)	(263,993)	-
Total Revenues	5,994,036	6,234,619	6,359,473
Expenditures			
Current:			
General Government	2,246,630	2,448,327	1,918,931
Public Safety	2,356,510	2,417,803	2,419,068
Physical Environment	132,928	132,928	126,928
Economic Environment	9,391	9,391	6,279
Transportation	-	-	-
Human Services	343,638	343,638	285,797
Culture and Recreation	29,200	60,373	112,347
Court Related	747,012	738,311	721,157
Debt Service:			
Principal	53,777	57,919	55,721
Interest	3,483	3,701	2,727
Total Expenditures	5,922,569	6,212,391	5,648,955
Excess of Revenues Over (Under) Expenditures	71,467	22,228	710,518
Other Financing Sources (Uses)			
Contribution from Joint Venture	-	-	-
Sale of Capital Assets	-	7,785	7,785
Transfers In	56,055	63,055	62,955
Transfers Out to Others	-	-	(168)
Transfers Out	(322,035)	(383,780)	(314,068)
Total Other Financing Sources (Uses)	(265,980)	(312,940)	(243,496)
Net Change in Fund Balances	(194,513)	(290,712)	467,022
Fund Balances-October 1, 2014	248,308	270,260	1,461,066
Fund Balances-September 30, 2015	\$ 53,795	\$ (20,452)	\$ 1,928,088

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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ 350,000	\$ 350,000	\$ 412,125
Miscellaneous Revenues	240	240	9,769
FS 129 Statutory Reduction	(12)	(12)	-
Total Revenues	350,228	350,228	421,894
Expenditures			
Current:			
Economic Environment	874,228	861,628	397,896
Total Expenditures	874,228	861,628	397,896
Excess of Revenues Over (Under) Expenditures	(524,000)	(511,400)	23,998
Other Financing Sources (Uses)			
Transfers Out	(1,000)	(13,600)	(13,500)
Total Other Financing Sources (Uses)	(1,000)	(13,600)	(13,500)
Net Change in Fund Balances	(525,000)	(525,000)	10,498
Fund Balances-October 1, 2014	525,000	525,000	269
Fund Balances-September 30, 2015	\$ -	\$ -	\$ 10,767

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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Licenses and Permits	\$ 194,000	\$ 194,000	\$ 193,426
Intergovernmental	-	85,500	5,040
Charges for Services	715,000	720,000	789,160
Miscellaneous Revenues	-	-	1,011
FS 129 Statutory Reduction	(45,450)	(45,700)	-
Total Revenues	863,550	953,800	988,637
Expenditures			
Current:			
Public Safety	1,138,988	1,245,291	1,160,628
Debt Service:			
Principal	5,827	25,149	22,504
Interest	-	655	870
Total Expenditures	1,144,815	1,271,095	1,184,002
Excess of Revenues Over (Under) Expenditures	(281,265)	(317,295)	(195,365)
Other Financing Sources (Uses)			
Sale of Capital Assets	-	28,090	28,090
Transfers In	261,265	269,205	269,205
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	261,265	297,295	297,295
Net Change in Fund Balances	(20,000)	(20,000)	101,930
Fund Balances -October 1, 2014	20,000	20,000	(59,211)
Fund Balances -September 30, 2015	\$ -	\$ -	\$ 42,719

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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Fines and Forfeitures	\$ 40,000	\$ 40,000	\$ 65,819
Miscellaneous Revenues	3,500	3,500	6,248
FS 129 Statutory Reduction	<u>(2,175)</u>	<u>(2,175)</u>	<u>-</u>
Total Revenues	41,325	41,325	72,067
Expenditures			
Current:			
Public Safety	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	41,325	41,325	72,067
Fund Balances -October 1, 2014	<u>1,078,000</u>	<u>1,078,000</u>	<u>1,137,331</u>
Fund Balances -September 30, 2015	<u>\$ 1,119,325</u>	<u>\$ 1,119,325</u>	<u>\$ 1,209,398</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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes	\$ 455,353	\$ 455,353	\$ 469,541
Intergovernmental	3,620	3,620	3,530
Charges for Services	-	-	290
Miscellaneous Revenues	900	900	376
FS 129 Statutory Reduction	(22,828)	(22,828)	-
Total Revenues	437,045	437,045	473,737
Expenditures			
Current:			
Transportation	887,047	895,047	819,162
Debt Service:			
Principal	32,415	32,415	32,468
Interest	11,660	11,660	11,596
Total Expenditures	931,122	939,122	863,226
Excess of Revenues Over (Under) Expenditures	(494,077)	(502,077)	(389,489)
Other Financing Sources (Uses)			
Sale of Capital Assets	-	-	1,013
Transfers In	394,077	327,077	327,077
Total Other Financing Sources (Uses)	394,077	327,077	328,090
Net Change in Fund Balances	(100,000)	(175,000)	(61,399)
Fund Balances-October 1, 2014	100,000	175,000	267,457
Fund Balances-September 30, 2015	\$ -	\$ -	\$ 206,058

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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes	\$ 362,713	\$ 362,713	\$ 386,951
Intergovernmental	1,282,420	1,282,420	242,766
Miscellaneous Revenues	-	-	-
FS 129 Statutory Reduction	(18,136)	(18,136)	-
Total Revenues	1,626,997	1,626,997	629,717
Expenditures			
Current:			
Transportation	1,332,420	1,399,420	244,597
Excess of Revenues Over (Under) Expenditures	294,577	227,577	385,120
Other Financing Sources (Uses)			
Transfers Out	(394,077)	(327,077)	(327,077)
Total Other Financing Sources (Uses)	(394,077)	(327,077)	(327,077)
Net Change in Fund Balances	(99,500)	(99,500)	58,043
Fund Balances -October 1, 2014 (restated)	99,500	99,500	216,753
Fund Balances -September 30, 2015	\$ -	\$ -	\$ 274,796

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.

UNION COUNTY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30

	2015	2014
Florida Retirement System (FRS)		
Proportion of the net pension liability (asset)	0.021787096%	0.020146996%
Proportionate share of the net pension liability (asset)	\$ 2,814,094	\$ 1,229,263
Covered-employee payroll	\$ 8,250,217	\$ 8,147,770
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.11%	15.09%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%
Health Insurance Subsidy Program (HIS)		
Proportion of the net pension liability (asset)	0.013182168%	0.013298568%
Proportionate share of the net pension liability (asset)	\$ 1,344,375	\$ 1,243,449
Covered-employee payroll	\$ 8,250,217	\$ 8,147,770
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.30%	15.26%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**UNION COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
<u>Florida Retirement System (FRS)</u>		
Contractually required contribution	\$ 504,088	\$ 468,497
Contributions in relation to the contractually required contribution	\$ (504,088)	\$ (468,497)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 8,250,217	 \$ 8,147,770
Contributions as a percentage of covered-employee payroll	6.11%	5.75%
<u>Health Insurance Subsidy Program (HIS)</u>		
Contractually required contribution	\$ 103,953	\$ 97,773
Contributions in relation to the contractually required contribution	\$ (103,953)	\$ (97,773)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 8,250,217	 \$ 8,147,770
Contributions as a percentage of covered-employee payroll	1.26%	1.20%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

Supplemental Information

**Combining Balance Sheets
Board and Officer General Funds
September 30, 2015
Union County, Florida**

	Board of County Commissioners	Clerk of Circuit Court	Sheriff
Assets			
Cash and Equivalents	\$ 1,147,857	\$ 104,959	\$ 87,997
Accounts Receivable	10,939	-	7,785
Due From Other Governments	404,482	32,112	-
Due From Other Funds	589,156	49,825	47,262
Total Assets	\$ 2,152,434	\$ 186,896	\$ 143,044
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 140,867	\$ 16,438	\$ 142,941
Due to Other Governments	83,629	6,623	-
Due to Other Funds	86,574	75,707	103
Total Liabilities	311,070	98,768	143,044
Fund Balances			
Restricted	-	88,128	-
Assigned	-	-	-
Unassigned	1,841,364	-	-
Total Fund Balances	1,841,364	88,128	-
Total Liabilities and Fund Balances	\$ 2,152,434	\$ 186,896	\$ 143,044

Combining Balance Sheets
Board and Officer General Funds
September 30, 2015
Union County, Florida
(Continued)

	Tax Collector	Property Appraiser	Supervisor of Elections
Assets			
Cash and Equivalents	\$ -	\$ 9,736	\$ 769
Accounts Receivable	-	-	-
Due From Other Governments	-	-	-
Due From Other Funds	-	-	3,500
	<hr/>	<hr/>	<hr/>
Total Assets	\$ -	\$ 9,736	\$ 4,269
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ -	\$ 1,321	\$ 180
Due to Other Governments	-	168	3,421
Due to Other Funds	-	8,247	2,072
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	9,736	5,673
Fund Balances			
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	(1,404)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	-	-	(1,404)
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ -	\$ 9,736	\$ 4,269
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Combining Balance Sheets
Board and Officer General Funds
September 30, 2015
Union County, Florida
(Concluded)

	<u>Subtotals</u>	<u>Interfund Eliminations</u>	<u>Totals</u>
Assets			
Cash and Equivalents	\$ 1,351,318	\$ -	\$ 1,351,318
Accounts Receivable	18,724	-	18,724
Due From Other Governments	436,594	-	436,594
Due From Other Funds	<u>689,743</u>	<u>(122,883)</u>	<u>566,860</u>
Total Assets	<u>\$ 2,496,379</u>	<u>\$ (122,883)</u>	<u>\$ 2,373,496</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 301,747	\$ -	\$ 301,747
Due to Other Governments	93,841	-	93,841
Due to Other Funds	<u>172,703</u>	<u>(122,883)</u>	<u>49,820</u>
Total Liabilities	568,291	(122,883)	445,408
Fund Balances			
Restricted	88,128	-	88,128
Assigned	-	-	-
Unassigned	<u>1,839,960</u>	<u>-</u>	<u>1,839,960</u>
Total Fund Balances	<u>1,928,088</u>	<u>-</u>	<u>1,928,088</u>
Total Liabilities and Fund Balances	<u>\$ 2,496,379</u>	<u>\$ (122,883)</u>	<u>\$ 2,373,496</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, 2015
Union County, Florida**

	Board of County Commissioners			Clerk of Circuit Courts		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues						
Taxes	\$ 2,751,014	\$ 2,751,014	\$ 2,752,495	\$ -	\$ -	\$ -
Licenses and Permits	50,000	50,000	49,643	-	-	-
Intergovernmental	2,468,724	2,512,454	2,593,774	443,161	428,860	406,167
Charges for Services	146,550	353,495	133,830	162,890	166,990	174,407
Miscellaneous Revenues	23,800	23,909	29,859	-	-	40
FS 129 Statutory Reduction	(263,993)	(263,993)	-	-	-	-
Total Revenues	5,176,095	5,426,879	5,559,601	606,051	595,850	580,614
Expenditures						
Current:						
General Government	977,497	1,164,865	672,647	252,928	258,015	247,880
Public Safety	501,394	534,305	525,804	-	-	-
Physical Environment	132,928	132,928	126,928	-	-	-
Economic Environment	9,391	9,391	6,279	-	-	-
Human Services	343,638	343,638	285,797	-	-	-
Culture and Recreation	29,200	60,373	112,347	-	-	-
Court Related	232,415	237,115	218,569	514,597	501,196	502,588
Debt Service:						
Principal	53,777	57,919	55,721	-	-	-
Interest	3,483	3,701	2,727	-	-	-
Total Expenditures	2,283,723	2,544,235	2,006,819	767,525	759,211	750,468
Excess of Revenues Over (Under) Expenditures	2,892,372	2,882,644	3,552,782	(161,474)	(163,361)	(169,854)
Other Financing Sources (Uses)						
Contribution from Joint Venture	-	-	-	-	-	-
Sale of Capital Assets	-	7,785	7,785	-	-	-
Transfers In	142,555	149,555	439,165	259,447	225,335	225,335
Transfers Out to Others	-	-	-	-	-	-
Transfers Out	(3,283,235)	(3,310,244)	(3,312,335)	(37,120)	(68,373)	(274,452)
Total Other Financing Sources (Uses)	(3,140,680)	(3,152,904)	(2,865,385)	222,327	156,962	(49,117)
Net Change in Fund Balances	(248,308)	(270,260)	687,397	60,853	(6,399)	(218,971)
Fund Balances - 10/1/2014	248,308	270,260	1,153,967	-	-	307,099
Fund Balances - 9/30/2015	\$ -	\$ -	\$ 1,841,364	\$ 60,853	\$ (6,399)	\$ 88,128

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual
Board and Officer General Funds
For the Year Ended September 30, 2015
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	-	-	-	210,683	210,683	209,019
Miscellaneous Revenues	-	-	-	1,207	1,207	1,618
FS 129 Statutory Reduction	-	-	-	-	-	-
Total Revenues	-	-	-	211,890	211,890	210,637
Expenditures						
Current:						
General Government	23,465	23,465	10,283	312,460	312,677	308,850
Public Safety	1,855,116	1,883,498	1,893,264	-	-	-
Physical Environment	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>1,878,581</u>	<u>1,906,963</u>	<u>1,903,547</u>	<u>312,460</u>	<u>312,677</u>	<u>308,850</u>
Excess of Revenues Over (Under) Expenditures	(1,878,581)	(1,906,963)	(1,903,547)	(100,570)	(100,787)	(98,213)
Other Financing Sources (Uses)						
Contribution from Joint Venture	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Transfers In	1,878,581	1,906,963	1,903,650	100,570	105,126	105,121
Transfers Out to Others	-	-	-	-	-	-
Transfers Out	-	-	(103)	-	(4,339)	(6,908)
Total Other Financing Sources (Uses)	<u>1,878,581</u>	<u>1,906,963</u>	<u>1,903,547</u>	<u>100,570</u>	<u>100,787</u>	<u>98,213</u>
Net Change in Fund Balances	-	-	-	-	-	-
Fund Balances - 10/1/2014	-	-	-	-	-	-
Fund Balances - 9/30/2015	<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, 2015
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	-	-	-	-	-	-
Charges for Services	-	-	8,489	-	-	-
Miscellaneous Revenues	-	-	132	-	-	-
FS 129 Statutory Reduction	-	-	-	-	-	-
Total Revenues	-	-	8,621	-	-	-
Expenditures						
Current:						
General Government	387,350	387,350	375,942	292,930	301,955	303,329
Public Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court Related	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	387,350	387,350	375,942	292,930	301,955	303,329
Excess of Revenues Over (Under) Expenditures	(387,350)	(387,350)	(367,321)	(292,930)	(301,955)	(303,329)
Other Financing Sources (Uses)						
Contribution from Joint Venture	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Transfers In	387,350	387,350	375,736	292,930	301,955	301,925
Transfers Out to Others	-	-	(168)	-	-	-
Transfers Out	-	-	(8,247)	-	-	-
Total Other Financing Sources (Uses)	387,350	387,350	367,321	292,930	301,955	301,925
Net Change in Fund Balances	-	-	-	-	-	(1,404)
Fund Balances - 10/1/2014	-	-	-	-	-	-
Fund Balances - 9/30/2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,404)

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual
Board and Officer General Funds
For the Year Ended September 30, 2015
Union County, Florida
(Continued)**

	Subtotals			Interfund Eliminations		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
Revenues						
Taxes	\$ 2,751,014	\$ 2,751,014	\$ 2,752,495	\$ -	\$ -	\$ -
Licenses and Permits	50,000	50,000	49,643	-	-	-
Intergovernmental	2,911,885	2,941,314	2,999,941	-	-	-
Charges for Services	520,123	731,168	525,745	-	-	-
Miscellaneous Revenues	25,007	25,116	31,649	-	-	-
FS 129 Statutory Reduction	(263,993)	(263,993)	-	-	-	-
Total Revenues	5,994,036	6,234,619	6,359,473	-	-	-
Expenditures						
Current:						
General Government	2,246,630	2,448,327	1,918,931	-	-	-
Public Safety	2,356,510	2,417,803	2,419,068	-	-	-
Physical Environment	132,928	132,928	126,928	-	-	-
Economic Environment	9,391	9,391	6,279	-	-	-
Human Services	343,638	343,638	285,797	-	-	-
Culture and Recreation	29,200	60,373	112,347	-	-	-
Court Related	747,012	738,311	721,157	-	-	-
Debt Service:						
Principal	53,777	57,919	55,721	-	-	-
Interest	3,483	3,701	2,727	-	-	-
Total Expenditures	5,922,569	6,212,391	5,648,955	-	-	-
Excess of Revenues Over (Under) Expenditures	71,467	22,228	710,518	-	-	-
Other Financing Sources (Uses)						
Contribution from Joint Venture	-	-	-	-	-	-
Sale of Capital Assets	-	7,785	7,785	-	-	-
Transfers In	3,061,433	3,076,284	3,350,932	(3,005,378)	(3,013,229)	(3,287,977)
Transfers Out to Others	-	-	(168)	-	-	-
Transfers Out	(3,320,355)	(3,382,956)	(3,602,045)	2,998,320	2,999,176	3,287,977
Total Other Financing Sources (Uses)	(258,922)	(298,887)	(243,496)	(7,058)	(14,053)	-
Net Change in Fund Balances	(187,455)	(276,659)	467,022	(7,058)	(14,053)	-
Fund Balances - 10/1/2014	248,308	270,260	1,461,066	-	-	-
Fund Balances - 9/30/2015	\$ 60,853	\$ (6,399)	\$ 1,928,088	\$ (7,058)	\$ (14,053)	\$ -

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Budget to Actual
Board and Officer General Funds
For the Year Ended September 30, 2015
Union County, Florida
(Concluded)**

	Totals		
	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 2,751,014	\$ 2,751,014	\$ 2,752,495
Licenses and Permits	50,000	50,000	49,643
Intergovernmental	2,911,885	2,941,314	2,999,941
Charges for Services	520,123	731,168	525,745
Miscellaneous Revenues	25,007	25,116	31,649
FS 129 Statutory Reduction	(263,993)	(263,993)	-
Total Revenues	5,994,036	6,234,619	6,359,473
Expenditures			
Current:			
General Government	2,246,630	2,448,327	1,918,931
Public Safety	2,356,510	2,417,803	2,419,068
Physical Environment	132,928	132,928	126,928
Economic Environment	9,391	9,391	6,279
Human Services	343,638	343,638	285,797
Culture and Recreation	29,200	60,373	112,347
Court Related	747,012	738,311	721,157
Debt Service:			
Principal	53,777	57,919	55,721
Interest	3,483	3,701	2,727
Total Expenditures	5,922,569	6,212,391	5,648,955
Excess of Revenues Over (Under) Expenditures	71,467	22,228	710,518
Other Financing Sources (Uses)			
Contribution from Joint Venture	-	-	-
Sale of Capital Assets	-	7,785	7,785
Transfers In	56,055	63,055	62,955
Transfers Out to Others	-	-	(168)
Transfers Out	(322,035)	(383,780)	(314,068)
Total Other Financing Sources (Uses)	(265,980)	(312,940)	(243,496)
Net Change in Fund Balances	(194,513)	(290,712)	467,022
Fund Balances - 10/1/2014	248,308	270,260	1,461,066
Fund Balances - 9/30/2015	\$ 53,795	\$ (20,452)	\$ 1,928,088

**Combining Balance Sheets
Non-Major Governmental Funds
September 30, 2015
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	\$ 64,028	\$ 40,159	\$ 24,395	\$ 4,869	\$ 134,670	\$ 73,866
Accounts Receivable	1,451	-	-	-	-	-
Due From Other Governments	83,988	100,244	-	68,909	-	-
Due From Other Funds	5,600	-	189	8,587	-	-
Total Assets	<u>\$ 155,067</u>	<u>\$ 140,403</u>	<u>\$ 24,584</u>	<u>\$ 82,365</u>	<u>\$ 134,670</u>	<u>\$ 73,866</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$ 24,031	\$ 130,975	\$ -	\$ 8,776	\$ 4,548	\$ 1,052
Due to Other Governments	17,364	1,438	-	-	-	-
Due to Other Funds	194,108	-	-	7,584	7,319	-
Total Liabilities	235,503	132,413	-	16,360	11,867	1,052
Fund Balances						
Restricted	-	7,990	24,584	-	122,803	72,814
Assigned	-	-	-	66,005	-	-
Unassigned	(80,436)	-	-	-	-	-
Total Fund Balances	<u>(80,436)</u>	<u>7,990</u>	<u>24,584</u>	<u>66,005</u>	<u>122,803</u>	<u>72,814</u>
Total Liabilities and Fund Balances	<u>\$ 155,067</u>	<u>\$ 140,403</u>	<u>\$ 24,584</u>	<u>\$ 82,365</u>	<u>\$ 134,670</u>	<u>\$ 73,866</u>

**Combining Balance Sheets
Non-Major Governmental Funds
September 30, 2015
Union County, Florida
(Concluded)**

	Special Revenue Funds						
	911	Sheriff Surcharge	Law Library	Clerk Records Modernization	Sheriff Inmate Welfare	Intergovernmental Shared Revenue	Totals
Assets							
Cash and Equivalents	\$ 14,593	\$ 19,918	\$ 5,578	\$ 104,610	\$ 40,867	\$ 47,262	\$ 574,815
Accounts Receivable	-	-	-	-	-	-	1,451
Due From Other Governments	35,477	-	-	-	-	-	288,618
Due From Other Funds	7,520	913	119	2,745	-	-	25,673
Total Assets	<u>\$ 57,590</u>	<u>\$ 20,831</u>	<u>\$ 5,697</u>	<u>\$ 107,355</u>	<u>\$ 40,867</u>	<u>\$ 47,262</u>	<u>\$ 890,557</u>
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$ 3,560	\$ -	\$ -	\$ 1,255	\$ -	\$ -	\$ 174,197
Due to Other Governments	-	-	-	-	-	-	18,802
Due to Other Funds	37,097	-	-	30,550	-	47,262	323,920
Total Liabilities	40,657	-	-	31,805	-	47,262	516,919
Fund Balances							
Restricted	16,933	20,831	5,697	75,550	40,867	-	388,069
Assigned	-	-	-	-	-	-	66,005
Unassigned	-	-	-	-	-	-	(80,436)
Total Fund Balances	<u>16,933</u>	<u>20,831</u>	<u>5,697</u>	<u>75,550</u>	<u>40,867</u>	<u>-</u>	<u>373,638</u>
Total Liabilities and Fund Balances	<u>\$ 57,590</u>	<u>\$ 20,831</u>	<u>\$ 5,697</u>	<u>\$ 107,355</u>	<u>\$ 40,867</u>	<u>\$ 47,262</u>	<u>\$ 890,557</u>

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2015
Union County, Florida**

	Special Revenue Funds					
	Solid Waste	Community Development Block Grant	County Law Enforcement	Emergency Management	Public Library	Landfill Long-Term Care
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 110,145	\$ -
Licenses and Permits	284,335	-	-	-	-	-
Intergovernmental	90,909	218,383	-	198,196	145,544	-
Charges for Services	183,136	-	-	-	-	-
Fines and Forfeitures	-	-	2,321	-	-	-
Miscellaneous Revenues	12,157	-	23	-	17,617	60
Total Revenues	570,537	218,383	2,344	198,196	273,306	60
Expenditures						
Current:						
Public Safety	-	-	-	199,184	-	-
Physical Environment	855,523	-	-	-	-	27,466
Economic Environment	-	210,165	-	-	-	-
Culture and Recreation	-	-	-	-	240,782	-
Court Related	-	-	-	-	-	-
Debt Service:						
Principal	21,266	-	-	-	-	-
Interest	2,427	-	-	-	-	-
Total Expenditures	879,216	210,165	-	199,184	240,782	27,466
Excess of Revenues Over (Under) Expenditures	(308,679)	8,218	2,344	(988)	32,524	(27,406)
Other Financing Sources (Uses)						
Contributions from Joint Venture	330,000	-	-	-	-	-
Sale of Capital Assets	6,948	-	-	-	-	-
Transfers In	-	-	-	13,693	-	32,500
Transfers Out	(81,955)	-	-	-	-	-
Total Other Financing Sources (Uses)	254,993	-	-	13,693	-	32,500
Net Change in Fund Balances	(53,686)	8,218	2,344	12,705	32,524	5,094
Fund Balances - 10/1/2014	(26,750)	(228)	22,240	53,300	90,279	67,720
Fund Balances - 9/30/2015	\$ (80,436)	\$ 7,990	\$ 24,584	\$ 66,005	\$ 122,803	\$ 72,814

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2015
Union County, Florida
(Concluded)**

	Special Revenue Funds						
	911	Sheriff Surcharge	Law Library	Clerk Records Modernization	Sheriff Inmate Welfare	Intergovernmental Shared Revenue	Totals
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,145
Licenses and Permits	-	-	-	-	-	-	284,335
Intergovernmental	161,832	-	-	-	-	50,576	865,440
Charges for Services	-	-	2,251	11,018	2,607	-	199,012
Fines and Forfeitures	-	9,834	-	5,470	-	-	17,625
Miscellaneous Revenues	28	14	4	-	-	-	29,903
Total Revenues	161,860	9,848	2,255	16,488	2,607	50,576	1,506,460
Expenditures							
Current:							
Public Safety	226,882	-	-	-	336	50,576	476,978
Physical Environment	-	-	-	-	-	-	882,989
Economic Environment	-	-	-	-	-	-	210,165
Transportation	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	240,782
Court Related	-	-	176	30,550	-	-	30,726
Debt Service:							
Principal	-	-	-	-	-	-	21,266
Interest	-	-	-	-	-	-	2,427
Total Expenditures	226,882	-	176	30,550	336	50,576	1,865,333
Excess of Revenues Over (Under) Expenditures	(65,022)	9,848	2,079	(14,062)	2,271	-	(358,873)
Other Financing Sources (Uses)							
Contributions from Joint Venture	-	-	-	-	-	-	330,000
Sale of Capital Assets	-	-	-	-	-	-	6,948
Transfers In	31,170	-	-	-	-	-	77,363
Transfers Out	-	-	-	-	-	-	(81,955)
Total Other Financing Sources (Uses)	31,170	-	-	-	-	-	332,356
Net Change in Fund Balances	(33,852)	9,848	2,079	(14,062)	2,271	-	(26,517)
Fund Balances - 10/1/2014	50,785	10,983	3,618	89,612	38,596	-	400,155
Fund Balances - 9/30/2015	\$ 16,933	\$ 20,831	\$ 5,697	\$ 75,550	\$ 40,867	\$ -	\$ 373,638

**Combining Statement of Fiduciary Net Position
September 30, 2015
Union County, Florida**

	Agency Funds			
	Clerk of Circuit Court	Sheriff	Tax Collector	Total
Assets				
Cash and Equivalents	\$ 160,350	\$ 17,320	\$ 123,681	\$ 301,351
Receivables	3,041	-	-	3,041
Due From Other Funds	175	-	-	175
Total Assets	163,566	17,320	123,681	304,567
Liabilities and Fund Balances				
Liabilities				
Assets Held For Others	123,997	3,225	123,681	250,903
Accounts Payable	12,203	-	-	12,203
Due to Other Governments	720	-	-	720
Due to Other Funds	26,646	14,095	-	40,741
Total Liabilities	163,566	17,320	123,681	304,567
Net Position	\$ -	\$ -	\$ -	\$ -

Schedule of Expenditures of Federal Awards and State Financial Assistance For the Year Ended September 30, 2015 Union County, Florida

Federal Grantor/Pass-through Grantor/Program Title	Contract Number	CFDA/CSFA #	Contract Amount	Expenditures
U.S. Department of Justice				
Passed through the Office of the Attorney General				
Victims of Crimes Act (VOCA) Grant	V14030	16.575	\$ 36,042	\$ 2,318
U.S. Department of Health and Human Services				
Passed through the Florida Department of Revenue				
Child Support Enforcement	CD363	93.563	127,817	60,649
Passed through the Florida Department of State				
Federal HHS VOTE Program Grant	MOA# 2014-2015-0003	93.617	1,005	1,005
Federal HHS VOTE Program Grant	MOA# 2015-2016-0002	93.617	4,410	4,410
				5,415
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	210,409
US Department of Homeland Security				
Passed through Florida Division of Emergency Management				
FEMA Project 4068-36-R Providence Community Center	14HM-6B-03-73-01-393	97.039	19,656	19,656
Passed through the Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance - 2015 Crime Prevention	2015-JAGC-UNIO-1-R3-073	16.738	22,523	22,523
Passed through the Florida Department of Community Affairs				
Emergency Management Planning - Performance Grant	15-FG-4D-03-73-01-130	97.042	43,179	35,628
Emergency Management Planning - Performance Grant	16-FG-5A-03-73-01-130	97.042	43,213	17,135
				52,763
Passed through the Federal Emergency Management Agency				
Emergency Management Planning - Planning, Training & Exercise	14-DS-L5-03-73-01-263	97.067	10,900	10,900
Homeland Security Grant Program	15-DS-P4-03-73-01-235	97.067	12,308	-
				10,900
US Department of Agriculture				
Passed through Florida Department of Agriculture				
Cooperative Forestry Assistance	2014-2015	10.664	6,945	6,518
Total Expenditures of Federal Awards				\$ 391,151
State Grantor/Program Title				
Florida Department of Community Affairs				
Passed through Division of Emergency Management				
EMPA Base Grant	16-BG-83-03-73-01-063	31.063	\$ 105,806	\$ 53,487
EMPA Base Grant	15-BG-83-03-73-01-063	31.063	105,806	59,842
				113,329
Florida Department of Health				
Emergency Medical Services Matching Grant	R4033	64.003	85,500	5,040
Florida Department of Environmental Protection				
Small County Consolidated Grant	530SC	37.012	90,909	90,909
Florida Department of Management Services				
E911 Rural County Grant Spring Program - E911 Mapping Workstation Replacement	15-4-29	72.001	5,584	5,584
E911 Rural County Grant Spring Program - E911 System Maintenance	15-4-23	72.001	5,277	5,277
E911 Rural County Grant Fall Program - E911 Maintenance	14-10-19	72.001	44,397	44,397
				55,258
Florida Department of State and Secretary of State				
State Aid to Libraries - Operating Grant	14-ST-42	45.030	96,099	46,359
State Aid to Libraries - Operating Grant	15-ST-42	45.030	145,544	73,245
				119,604
Florida Housing Finance Agency				
State Housing Initiatives Partnership	2013/2014	52.901	350,000	70,969
State Housing Initiatives Partnership	2014/2015	52.901	350,000	340,427
State Housing Initiatives Partnership	2015/2016	52.901	350,000	-
				411,396
Florida Department of Transportation				
Small County Road Assistance Program (SCRAP) - CR-231A	431644-1-58-01	55.016	622,932	170,920
Small County Outreach Program (SCOP) - CR239	430699-1-58-01	55.009	779,944	41,415
Small County Outreach Program (SCOP) - CR796A	432781-1-58-01	55.009	396,802	30,430
				71,845
State Highway Project Reimbursement - Traffic Signal	413529-1-88-05	55.023	3,320	3,320
Total Expenditures of State Financial Assistance				\$ 1,041,621
Total Expenditures of Federal and State Financial Assistance				\$ 1,432,772

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, 2015
Union County, Florida**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues			
Licenses and Permits	\$ 294,000	\$ 294,000	\$ 284,335
Intergovernmental	90,909	90,909	90,909
Charges for Services	175,000	175,000	183,136
Miscellaneous Revenues	8,000	8,000	12,157
FS 129 Statutory Reduction	<u>(24,225)</u>	<u>(24,225)</u>	<u>-</u>
Total Revenues	543,684	543,684	570,537
Expenditures			
Current:			
Physical Environment	849,936	855,536	855,523
Debt Service:			
Principal	21,267	21,267	21,267
Interest	<u>2,426</u>	<u>2,426</u>	<u>2,426</u>
Total Expenditures	<u>873,629</u>	<u>879,229</u>	<u>879,216</u>
Excess of Revenues Over (Under) Expenditures	(329,945)	(335,545)	(308,679)
Other Financing Sources (Uses)			
Contributions from Joint Venture	330,000	330,000	330,000
Sale of Capital Assets	7,500	7,500	6,948
Transfers Out	<u>(87,555)</u>	<u>(81,955)</u>	<u>(81,955)</u>
Total Other Financing Sources (Uses)	<u>249,945</u>	<u>255,545</u>	<u>254,993</u>
Net Change in Fund Balances	(80,000)	(80,000)	(53,686)
Fund Balances -October 1, 2014	<u>80,000</u>	<u>80,000</u>	<u>(26,750)</u>
Fund Balances -September 30, 2015	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(80,436)</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 – Community Development Block Grant
For the Year Ended September 30, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ 676,495	\$ 676,495	\$ 218,383
Total Revenues	676,495	676,495	218,383
Expenditures			
Current:			
Economic Environment	676,495	676,495	210,165
Net Change in Fund Balances	-	-	8,218
Fund Balances -October 1, 2014	-	-	(228)
Fund Balances -September 30, 2015	\$ -	\$ -	\$ 7,990

Note to Budgetary Comparison Schedule:

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**Schedule of Revenues, Expenditures and
Changes in Fund Balances
Budget and Actual - 911 Communications Account
For the Year Ended September 30, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ 114,800	\$ 170,108	\$ 161,832
Miscellaneous Revenues	50	50	28
FS 129 Statutory Reduction	(1,045)	(1,045)	-
Total Revenues	113,805	169,113	161,860
Expenditures			
Current:			
Public Safety	167,455	230,283	226,882
Total Expenditures	167,455	230,283	226,882
Excess of Revenues Over (Under) Expenditures	(53,650)	(61,170)	(65,022)
Other Financing Sources (Uses)			
Transfers In	23,650	31,170	31,170
Net Change in Fund Balances	(30,000)	(30,000)	(33,852)
Fund Balances -October 1, 2014	30,000	30,000	50,785
Fund Balances -September 30, 2015	\$ -	\$ -	\$ 16,933

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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Fines and Forfeitures	\$ 1,600	\$ 1,600	\$ 2,321
Miscellaneous Revenue	-	-	23
FS 129 Statutory Reduction	(80)	(80)	-
Total Revenues	1,520	1,520	2,344
Expenditures			
Current:			
Public Safety	5,000	5,000	-
Total Expenditures	5,000	5,000	-
Net Change in Fund Balances	(3,480)	(3,480)	2,344
Fund Balances -Ocotber 1, 2014	21,700	21,700	22,240
Fund Balances -September 30, 2015	\$ 18,220	\$ 18,220	\$ 24,584

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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ 149,955	\$ 162,263	\$ 198,196
Total Revenues	149,955	162,263	198,196
Expenditures			
Current:			
Public Safety	209,955	235,956	199,184
Excess of Revenues Over (Under) Expenditures	(60,000)	(73,693)	(988)
Other Financing Sources (Uses)			
Transfers In	-	13,693	13,693
Total Other Financing Sources (Uses)	-	13,693	13,693
Net Change in Fund Balances	(60,000)	(60,000)	12,705
Fund Balances -October 1, 2014	60,000	60,000	53,300
Fund Balances -September 30, 2015	\$ -	\$ -	\$ 66,005

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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Taxes	\$ 113,500	\$ 113,500	\$ 110,145
Intergovernmental	118,334	145,544	145,544
Miscellaneous Revenues	19,000	19,000	17,617
FS 129 Statutory Reduction	<u>(6,625)</u>	<u>(6,625)</u>	<u>-</u>
Total Revenues	244,209	271,419	273,306
Expenditures			
Current:			
Culture and Recreation	<u>324,209</u>	<u>351,419</u>	<u>240,782</u>
Total Expenditures	<u>324,209</u>	<u>351,419</u>	<u>240,782</u>
Excess of Revenues Over (Under) Expenditures	(80,000)	(80,000)	32,524
Fund Balances -October 1, 2014	<u>80,000</u>	<u>80,000</u>	<u>90,279</u>
Fund Balances -September 30, 2015	\$ <u>-</u>	\$ <u>-</u>	\$ <u>122,803</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, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Miscellaneous Revenues	\$ 65	\$ 65	\$ 60
FS 129 Statutory Reduction	<u>(3)</u>	<u>(3)</u>	
Total Revenues	62	62	60
Expenditures			
Current:			
Physical Environment	<u>97,562</u>	<u>97,562</u>	<u>27,466</u>
Total Expenditures	<u>97,562</u>	<u>97,562</u>	<u>27,466</u>
Excess of Revenues Over (Under) Expenditures	(97,500)	(97,500)	(27,406)
Other Financing Sources (Uses)			
Transfers In	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>
Total Other Financing Sources (Uses)	<u>32,500</u>	<u>32,500</u>	<u>32,500</u>
Net Change in Fund Balances	(65,000)	(65,000)	5,094
Fund Balances -October 1, 2014	<u>65,000</u>	<u>65,000</u>	<u>67,720</u>
Fund Balances -September 30, 2015	\$ <u>-</u>	\$ <u>-</u>	\$ <u>72,814</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 - Law Library & Court Facilities
For the Year Ended September 30, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Charges for Services	\$ 3,000	\$ 3,000	\$ 2,251
Miscellaneous Revenues	5	5	4
FS 129 Statutory Reduction	<u>(150)</u>	<u>(150)</u>	<u>-</u>
Total Revenues	2,855	2,855	2,255
Expenditures			
Current:			
Court Related	<u>5,005</u>	<u>5,005</u>	<u>176</u>
Total Expenditures	<u>5,005</u>	<u>5,005</u>	<u>176</u>
Net Change in Fund Balances	(2,150)	(2,150)	2,079
Fund Balances -October 1, 2014	<u>2,150</u>	<u>2,150</u>	<u>3,618</u>
Fund Balances -September 30, 2015	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>5,697</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 - Sheriff's Surcharge
For the Year Ended September 30, 2015
Union County, Florida**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Fines and Forfeitures	\$ 5,550	\$ 5,550	\$ 9,834
Miscellaneous Revenues	-	-	14
FS 129 Statutory Reduction	<u>(278)</u>	<u>(278)</u>	<u>-</u>
Total Revenues	5,272	5,272	9,848
Expenditures			
Current:			
Public Safety	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>-</u>
Net Change in Fund Balances	5,272	5,272	9,848
Fund Balances -October 1, 2014	<u>9,000</u>	<u>9,000</u>	<u>10,983</u>
Fund Balances -September 30, 2015	\$ <u><u>14,272</u></u>	\$ <u><u>14,272</u></u>	\$ <u><u>20,831</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.

**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, 2015, and have issued our report thereon dated July 14, 2016.

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 position 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 14, 2016, 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. 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. 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. and 10.556(7), 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. and 10.556(7), 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, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

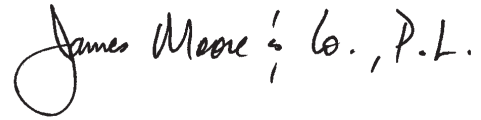
Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have no 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 Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style, with a large, looped initial "J" for "James".

Gainesville, Florida
July 14, 2016

**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, 2015, 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 14, 2016.

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 position 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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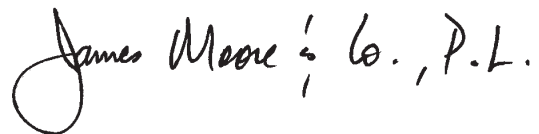
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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 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*.

Purpose of this Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Gainesville, Florida
July 14, 2016

**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, 2015. 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, 2015.

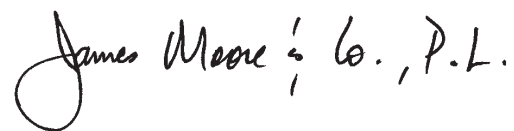
Report on Internal Control over Compliance

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Gainesville, Florida
July 14, 2016

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015
Union County, Florida**

Section I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Qualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

State Financial Assistance

Internal control over major state financial assistance projects:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ 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? ☐ Yes ☒ No

Identification of major state financial assistance CSFA No. 52.901, State Housing Initiatives Partnership (SHIP)

CSFA No. 55.016, Small County Road Assistance Program (SCRAP)

Dollar threshold used to distinguish between type A and type B state financial assistance projects: \$312,486

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2015
Union County, Florida
(Continued)**

Section II.	Financial Statement Findings:	There were no audit findings for the year ended September 30, 2015.
Section III.	State Financial Assistance Findings and Questioned Costs:	There were no audit findings for the year ended September 30, 2015.
Section IV.	State Financial Assistance Summary Schedule of Prior Year Findings:	There were no audit findings for the year ended September 30, 2014.

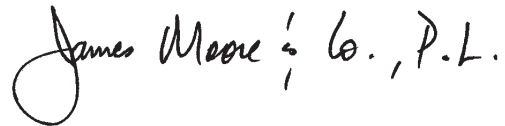
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Union County Board of County Commissioners' compliance with Section 365.172, Florida Statutes, *Emergency Communications Number "E911"*, Section 365.173, Florida Statutes, *Communications Number E911 System Fund*, and Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2015. 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, 2015.



Gainesville, Florida
July 14, 2016

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**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
UNION COUNTY CLERK OF THE CIRCUIT COURT
SEPTEMBER 30, 2015**

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

Union County Clerk of the Circuit Court

September 30, 2015

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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, 2015, 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

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Union County Clerk of the Circuit Court as of September 30, 2015, 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, 2015, 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.

As discussed in Note 6 to the financial statements, in 2015, the Union County Clerk of the Circuit Court adopted Governmental Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified in respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and other required supplementary 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

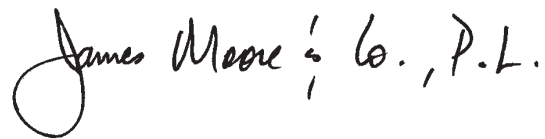
financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

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Gainesville, Florida
July 14, 2016

**Balance Sheet
Governmental Funds
September 30, 2015
Union County Clerk of the Circuit Court**

	<u>General Fund</u>	<u>Records Modernization</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Equivalents	\$ 104,959	\$ 104,610	\$ 209,569
Due From Other Funds	49,825	2,745	52,570
Due From Other Governments	<u>32,112</u>	<u>-</u>	<u>32,112</u>
Total Assets	<u>\$ 186,896</u>	<u>\$ 107,355</u>	<u>\$ 294,251</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 16,438	\$ 1,255	\$ 17,693
Due to Other Funds	1,255	30,550	31,805
Due to Other Governments	<u>81,075</u>	<u>-</u>	<u>81,075</u>
Total Liabilities	98,768	31,805	130,573
Fund Balances			
Restricted	<u>88,128</u>	<u>75,550</u>	<u>163,678</u>
Total Fund Balances	<u>88,128</u>	<u>75,550</u>	<u>163,678</u>
Total Liabilities and Fund Balances	<u>\$ 186,896</u>	<u>\$ 107,355</u>	<u>\$ 294,251</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, 2015
Union County Clerk of the Circuit Court**

	General Fund	Records Modernization	Total Governmental Funds
Revenues:			
Intergovernmental Revenue	\$ 406,167	\$ -	\$ 406,167
Charges for Services	174,407	11,018	185,425
Fines and Forfeitures	-	5,470	5,470
Miscellaneous Revenue	40	-	40
Total Revenues	580,614	16,488	597,102
Expenditures:			
Current:			
General Government	247,880	-	247,880
Court Related	502,588	30,550	533,138
Total Expenditures	750,468	30,550	781,018
Excess Revenues Over (Under) Expenditures	(169,854)	(14,062)	(183,916)
Other Financing Sources (Uses)			
Appropriation from Board of County Commissioners	225,335	-	225,335
Reversion to Board of County Commissioners	(274,452)	-	(274,452)
Total Other Financing Sources (Uses)	(49,117)	-	(49,117)
Net Change in Fund Balance	(218,971)	(14,062)	(233,033)
Fund Balances October 1, 2014	307,099	89,612	396,711
Fund Balances September 30, 2015	\$ 88,128	\$ 75,550	\$ 163,678

The notes to financial statements are integral to this statement.

Statement of Fiduciary Net Position
Agency Funds
September 30, 2015
Union County Clerk of the Circuit Court

	<u>Agency Funds</u>
Assets	
Cash and Equivalents	\$ 160,350
Receivables	3,041
Due From Other Funds	<u>175</u>
Total Assets	\$ <u>163,566</u>
Liabilities	
Assets Held for Others	\$ 123,997
Accounts Payable	12,203
Due to Other Funds	20,940
Due to Other Governments	<u>6,426</u>
Total Liabilities	\$ <u>163,566</u>

The notes to financial statements are integral to this statement

Notes to Financial Statements
September 30, 2015
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, 2015
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 generally accepted accounting principles requires management to make various estimates. Actual results could differ from these estimates.

Notes to Financial Statements
September 30, 2015
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.

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>10/01/14</u>	<u>Net Change</u> <u>Increase (Decrease)</u>	<u>Balance</u> <u>09/30/15</u>	<u>Amount Due</u> <u>Within a Year</u>
Compensated Absences	\$ 44,136	\$ (6,268)	\$ 37,868	\$ 12,623

Notes to Financial Statements
September 30, 2015
Union County Clerk of the Circuit Court
(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 – 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

(1) General Information about the Pension Plan— Essentially all regular employees of the Office are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the Office are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2014, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit.

Notes to Financial Statements
September 30, 2015
Union County Clerk of the Circuit Court
(Continued)

Note 6 - Pension Plan (continued)

Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected Office Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

CLASS	PERCENT OF GROSS SALARY	
	EMPLOYEE	EMPLOYER (A)
FRS - Regular	3.00%	7.37%
FRS - Special Risk Regular	3.00%	19.82%
FRS - EOC County	3.00%	43.24%
FRS - SMSC	3.00%	21.14%
DROP - Applicable to members from all of the above	0.00%	12.28%
FRS - Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.26% for the postemployment HIS (health insurance subsidy. Also, employer rates, other than for DROP participants include 0.03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

Notes to Financial Statements
September 30, 2015
Union County Clerk of the Circuit Court
(Continued)

Note 6 - Pension Plan (continued)

The Office's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the Office. The Office's contributions to the System for the years ended September 30, 2015, 2014, and 2013 were \$70,763, \$65,048 and \$71,443 respectively, which were equal to the required contributions for each fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

- (2) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—** At September 30, 2015, the Office reported a liability of \$469,185 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Office's proportion of the net pension liability was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating Office employees, actuarially determined. At June 30, 2015 and June 30, 2014, the Office's FRS proportion was 0.00232050752633962 and 0.0020065638583244 percent, respectively. At June 30, 2015 and June 30, 2014, the Office's HIS proportion was 0.00166163677852584 and 0.0017336100691691 percent, respectively. For the year ended September 30, 2015, the Office recognized pension expense of \$46,084. At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to Financial Statements
September 30, 2015
Union County Clerk of the Circuit Court
(Continued)

Note 6 - Pension Plan (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
FRS - Change of Assumptions	\$ 19,894	\$ -
FRS - Net difference between projected and actual earnings on pension plan investments	-	71,569
FRS - Change in proportion and differences between Office contributions and proportionate share of contributions	113,791	-
FRS - Difference between expected and actual experience	31,642	7,109
FRS - Office contributions subsequent to the measurement date	13,954	-
HIS - Change of assumptions	13,332	-
HIS - Net difference between projected and actual earnings on pension plan investments	92	-
HIS - Changes in proportion and differences between Office contributions and proportionate share of contributions	-	8,418
HIS - Office contributions subsequent to the measurement date	2,145	-
Total	<u>\$ 194,850</u>	<u>\$ 87,096</u>

The \$13,954 and \$2,145 reported as deferred outflows of resources related to pensions resulting from Office contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Amount</u>
2016	\$ 1,821
2017	1,821
2018	1,821
2019	60,849
2020	20,549
Thereafter	4,794
Total	<u>\$ 91,655</u>

Notes to Financial Statements
September 30, 2015
Union County Clerk of the Circuit Court
(Continued)

Note 6 - Pension Plan (continued)

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 4.29%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The long-term rate of return is the arithmetic return.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.00%	3.20%
Fixed Income	18.00%	4.80%
Global Equities	53.00%	8.50%
Real Estate	10.00%	6.80%
Private Equity	6.00%	11.90%
Strategic Investments	12.00%	6.70%
Total	<u>100.00%</u>	

Notes to Financial Statements
September 30, 2015
Union County Clerk of the Circuit Court
(Continued)

Note 6 - Pension Plan (concluded)

Sensitivity of the Office's proportionate share of the net pension liability to changes in the discount rate. The following presents the Office's FRS and HIS proportionate share of the net pension liability calculated using the current discount rate, as well as what the Office's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.65%)	FRS Current Discount Rate (7.65%)	1% Increase (8.65%)
Office's FRS proportionate share of net pension liability (asset)	<u>\$ 776,654</u>	<u>\$ 299,725</u>	<u>\$ (97,159)</u>
	1% Decrease (2.80%)	HIS Current Discount Rate (3.80%)	1% Increase (4.8%)
Office's HIS proportionate share of net pension liability	<u>\$ 193,093</u>	<u>\$ 169,461</u>	<u>\$ 149,755</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

Restatement of Net Position. GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, in September 2012, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after September 15, 2014 and therefore were implemented this year. The impact on the governmental activities September 30, 2014, unrestricted net position was a decrease of \$445,742.

Notes to Financial Statements
September 30, 2015
Union County Clerk of the Circuit Court
(Concluded)

Note 7 - Interfund Balances

At September 30, 2015, interfund balances consisted of:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 49,825	\$ 1,255
Special Revenue Funds:		
Records Modernization	2,745	30,550
Agency Funds:		
General Agency	-	18,382
Domestic Relations	-	2,558
Registry of Court	175	-
Total	\$ 52,745	\$ 52,745

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 and the Records Modernization 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, 2015
Union County Clerk of the Circuit Court**

	Budgeted Amounts		
	Original	Final	Actual
Revenues:			
Intergovernmental	\$ 443,161	\$ 428,860	\$ 406,167
Charges for Services	162,890	166,990	174,407
Miscellaneous Revenue	-	-	40
Total Revenues	606,051	595,850	580,614
Expenditures			
Current:			
General Government Services	252,928	258,015	247,880
Court Related	514,597	501,196	502,588
Total Expenditures	767,525	759,211	750,468
Excess Revenues Over (Under) Expenditures	(161,474)	(163,361)	(169,854)
Other Financing Sources (Uses)			
Appropriations From Board of County Commissioners	259,447	225,335	225,335
Reversion to Board of County Commissioners	(37,120)	(68,373)	(274,452)
Total Other Financing Sources (Uses)	222,327	156,962	(49,117)
Net Change in Fund Balances	60,853	(6,399)	(218,971)
Fund Balance - October 1, 2014	-	-	307,099
Fund Balance - September 30, 2015	\$ 60,853	\$ (6,399)	\$ 88,128

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, 2015
Union County Clerk of the Circuit Court**

	Budgeted Amounts		
	Original	Final	Actual
Revenues:			
Charges for Services	\$ 10,800	\$ 10,800	\$ 11,018
Fines and Forfeitures	5,800	5,800	5,470
Total Revenues	16,600	16,600	16,488
Expenditures			
Current:			
Court Related	32,000	32,000	30,550
Total Expenditures	32,000	32,000	30,550
Excess Revenues Over (Under) Expenditures	(15,400)	(15,400)	(14,062)
Fund Balance -October 1, 2014	-	-	89,612
Fund Balance -September 30, 2015	\$ (15,400)	\$ (15,400)	\$ 75,550

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.

**UNION COUNTY CLERK OF COURTS
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
Florida Retirement System (FRS)		
Proportion of the net pension liability (asset)	0.002320508%	0.002006564%
Proportionate share of the net pension liability (asset)	\$ 299,725	\$ 122,430
Covered-employee payroll	\$ 960,149	\$ 935,942
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.22%	13.08%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%
Health Insurance Subsidy Program (HIS)		
Proportion of the net pension liability (asset)	0.001661637%	0.001733610%
Proportionate share of the net pension liability (asset)	\$ 169,461	\$ 162,097
Covered-employee payroll	\$ 960,149	\$ 935,942
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	17.65%	17.32%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**UNION COUNTY CLERK OF COURTS
SCHEDULE OF CONTRIBUTIONS -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
<u>Florida Retirement System (FRS)</u>		
Contractually required contribution	\$ 58,665	\$ 53,817
Contributions in relation to the contractually required contribution	\$ (58,665)	\$ (53,817)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 960,149	 \$ 935,942
Contributions as a percentage of covered-employee payroll	6.11%	5.75%
<u>Health Insurance Subsidy Program (HIS)</u>		
Contractually required contribution	\$ 12,098	\$ 11,231
Contributions in relation to the contractually required contribution	\$ (12,098)	\$ (11,231)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 960,149	 \$ 935,942
Contributions as a percentage of covered-employee payroll	1.26%	1.20%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

Supplemental Information

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2015
Union County Clerk of the Circuit Court

	General Agency Fund	Domestic Relations Fund	Registry of Court Fund	Total Agency Funds
Assets				
Cash and Equivalents	\$ 87,124	\$ 3,251	\$ 69,975	\$ 160,350
Receivables	3,041	-	-	3,041
Due From Other Funds	-	-	175	175
Total Assets	\$ 90,165	\$ 3,251	\$ 70,150	\$ 163,566
Liabilities				
Assets Held for Others	\$ 53,305	\$ 542	\$ 70,150	\$ 123,997
Accounts Payable	12,203	-	-	12,203
Due to Other Funds	18,382	2,558	-	20,940
Due to Other Governments	6,275	151	-	6,426
Total Liabilities	\$ 90,165	\$ 3,251	\$ 70,150	\$ 163,566

**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, 2015, and have issued our report thereon dated July 14, 2016.

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 14, 2016, 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 Clerk of the Circuit Court is an elected constitutional officer, whose office is

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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.

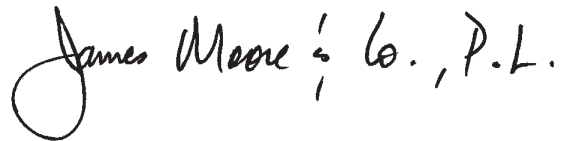
Other Matters

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 14, 2016

**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, 2015, 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 14, 2016, 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.

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

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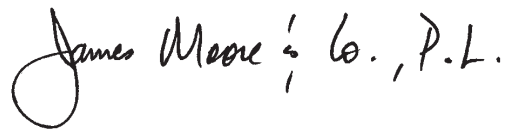
deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Gainesville, Florida
July 14, 2016

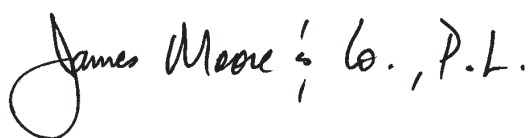
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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 61.181, Florida Statutes, *Depository for alimony transactions, support, maintenance, and support payments; and fees*, Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, Section 28.36, Florida Statutes, *Budget Procedure* and 218.415 Florida Statutes, *Local Government Investment Policies*, Florida Statutes, for the year ended September 30, 2015. 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, 2015.



Gainesville, Florida
July 14, 2016

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

UNION COUNTY SHERIFF

SEPTEMBER 30, 2015

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

Union County Sheriff

September 30, 2015

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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, 2015, 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

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Union County Sheriff as of September 30, 2015, 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, 2015, 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.

As discussed in Note 7 to the financial statements, in 2015, the Union County Sheriff adopted Governmental Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified in respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and other required supplementary 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

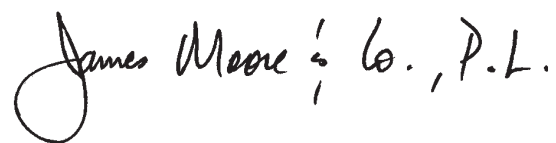
financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style with a large initial "J".

Gainesville, Florida
July 14, 2016

**Balance Sheet
Governmental Funds
September 30, 2015
Union County Sheriff**

	General Fund	Special Revenue Inmate Welfare Fund	Intergovernmental Shared Fund	Total Governmental Funds
Assets				
Cash and Equivalents	\$ 87,997	\$ 40,867	\$ 47,262	\$ 176,126
Accounts Receivable	7,785	-	-	7,785
Due from Other Funds	47,262	-	-	47,262
Total Assets	\$ 143,044	\$ 40,867	\$ 47,262	\$ 231,173
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ 142,941	\$ -	\$ -	\$ 142,941
Due to Other Funds	-	-	47,262	47,262
Due to Other Governments	103	-	-	103
Total Liabilities	143,044	-	47,262	190,306
Fund Balances				
Restricted	-	40,867	-	40,867
Unassigned	-	-	-	-
Total Fund Balances	-	40,867	-	40,867
Total Liabilities and Fund Balances	\$ 143,044	\$ 40,867	\$ 47,262	\$ 231,173

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, 2015
Union County Sheriff**

	General Fund	Special Revenue Inmate Welfare Fund	Intergovernmental Shared Fund	Total Governmental Funds
Revenues				
Intergovernmental	\$ -	\$ -	\$ 50,576	\$ 50,576
Charges for Services	-	2,607	-	2,607
Total Revenues	-	2,607	50,576	53,183
Expenditures				
Current:				
General Government	10,283	-	-	10,283
Public Safety	1,893,264	336	50,576	1,944,176
Total Expenditures	1,903,547	336	50,576	1,954,459
Excess Revenues Over (Under) Expenditures	(1,903,547)	2,271	-	(1,901,276)
Other Financing Sources (Uses)				
Appropriations from Board of County Commissioners	1,903,650	-	-	1,903,650
Reversion to Board of County Commissioners	(103)	-	-	(103)
Total Other Financing Sources (Uses)	1,903,547	-	-	1,903,547
Net Change in Fund Balances	-	2,271	-	2,271
Fund Balances - October 1, 2014	-	38,596	-	38,596
Fund Balances - September 30, 2015	\$ -	\$ 40,867	\$ -	\$ 40,867

The notes to financial statements are integral to this statement.

**Statement of Fiduciary Net Position
September 30, 2015
Union County Sheriff**

	<u>Agency Fund</u>
Assets	
Cash and Equivalents	\$ 17,320
Liabilities	
Assets Held For Others	3,225
Due to Other Governments	<u>14,095</u>
Total Liabilities	<u>17,320</u>
Net Position	<u><u>\$ -</u></u>

The notes to financial statements are integral to this statement.

**Notes to Financial Statements
September 30, 2015
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, 2015
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, 2015
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.

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 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.

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, 2015
Union County Sheriff
(Continued)

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, and all income attributable to those amounts, 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 10/1/14 (restated)	Increases	Decreases	Balance 9/30/15
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 1,000,570	\$ 82,074	\$ 63,233	\$ 1,019,411
Building and Improvements	22,317	-	-	22,317
Vehicles	856,713	130,837	199,654	787,896
Computer Software	106,370	2,472	-	108,842
Total Capital Assets Being Depreciated	1,985,970	215,383	262,887	1,938,466
Less Accumulated Depreciation For:				
Machinery and Equipment	687,445	116,347	56,515	747,277
Building and Improvements	3,348	1,116	-	4,464
Vehicles	609,672	79,829	159,329	530,172
Computer Software	103,716	1,136	-	104,852
Total Accumulated Depreciation	1,404,181	198,428	215,844	1,386,765
Total Capital Assets, Net	\$ 581,789	\$ 16,955	\$ 47,043	\$ 551,701

Depreciation expense of \$198,428 was charged to the public safety function of the County.

**Notes to Financial Statements
September 30, 2015
Union County Sheriff
(Continued)**

Note 6 - Changes in Long-Term Debt

A summary of changes in long-term debt follows:

	<u>Balance 10/1/14</u>	<u>Net Change Increase (Decrease)</u>	<u>Balance 9/30/15</u>	<u>Amount Due in One Year</u>
Compensated Absences	\$ 74,384	\$ (6,226)	\$ 68,158	\$ 22,719

Note 7 - Pension Plan

(1) General Information about the Pension Plan— Essentially all regular employees of the Office are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the Office are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2014, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit.

Notes to Financial Statements
September 30, 2015
Union County Sheriff
(Continued)

Note 7 - Pension Plan (continued)

Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected Office Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

CLASS	PERCENT OF GROSS SALARY	
	EMPLOYEE	EMPLOYER (A)
FRS - Regular	3.00%	7.37%
FRS - Special Risk Regular	3.00%	19.82%
FRS - EOC County	3.00%	43.24%
FRS - SMSC	3.00%	21.14%
DROP - Applicable to members from all of the above	0.00%	12.28%
FRS - Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.26% for the postemployment HIS (health insurance subsidy. Also, employer rates, other than for DROP participants include 0.03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

Notes to Financial Statements
September 30, 2015
Union County Sheriff
(Continued)

Note 7 - Pension Plan (continued)

The Office's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the Office. The Office's contributions to the System for the years ended September 30, 2015, 2014, and 2013 were \$146,943, \$143,380 and \$103,462, respectively, which were equal to the required contributions for each fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

- (2) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—** At September 30, 2015, the Office reported a liability of \$989,143 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Office's proportion of the net pension liability was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating Office employees, actuarially determined. At June 30, 2015 and June 30, 2014, the Office's FRS proportion was 0.00521452833014577 and 0.00512584384492031 percent, respectively. At June 30, 2015 and June 30, 2014, the Office's HIS proportion was 0.00309475504161852 and 0.0031379902253644 percent, respectively. For the year ended September 30, 2015, the Office recognized pension expense of \$80,138. At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to Financial Statements
September 30, 2015
Union County Sheriff
(Continued)

Note 7 - Pension Plan (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
FRS - Change of Assumptions	\$ 44,704	\$ -
FRS - Net difference between projected and actual earnings on pension plan investments	-	160,827
FRS - Change in proportion and differences between Office contributions and proportionate share of contributions	35,932	-
FRS - Difference between expected and actual experience	71,104	15,974
FRS - Office contributions subsequent to the measurement date	35,667	-
HIS - Change of assumptions	24,831	-
HIS - Net difference between projected and actual earnings on pension plan investments	171	-
HIS - Changes in proportion and differences between Office contributions and proportionate share of contributions	6,065	3,356
HIS - Office contributions subsequent to the measurement date	<u>3,887</u>	<u>-</u>
Total	<u>\$ 222,361</u>	<u>\$ 180,157</u>

The \$35,667 and \$3,887 reported as deferred outflows of resources related to pensions resulting from Office contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September</u>	<u>Amount</u>
2016	\$ (40,486)
2017	(40,486)
2018	(40,486)
2019	92,166
2020	24,209
Thereafter	7,733
Total	<u>\$ 2,650</u>

Notes to Financial Statements
September 30, 2015
Union County Sheriff
(Continued)

Note 7 - Pension Plan (continued)

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 4.29%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The long-term rate of return is the arithmetic return.

Notes to Financial Statements
September 30, 2015
Union County Sheriff
(Continued)

Note 7 - Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.00%	3.20%
Fixed Income	18.00%	4.80%
Global Equities	53.00%	8.50%
Real Estate	10.00%	6.80%
Private Equity	6.00%	11.90%
Strategic Investments	12.00%	6.70%
Total	<u>100.00%</u>	

Sensitivity of the Office's proportionate share of the net pension liability to changes in the discount rate. The following presents the Office's FRS and HIS proportionate share of the net pension liability calculated using the current discount rate, as well as what the Office's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.65%)	FRS Current Discount Rate (7.65%)	1% Increase (8.65%)
Office's FRS proportionate share of net pension liability	<u>\$ 1,745,259</u>	<u>\$ 673,526</u>	<u>\$ (218,331)</u>
	1% Decrease (2.80%)	HIS Current Discount Rate (3.80%)	1% Increase (4.8%)
Office's HIS proportionate share of net pension liability	<u>\$ 359,630</u>	<u>\$ 315,616</u>	<u>\$ 278,915</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

**Notes to Financial Statements
September 30, 2015
Union County Sheriff
(Concluded)**

Note 7 - Pension Plan (concluded)

Restatement of Net Position. GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, in September 2012, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after September 15, 2014 and therefore were implemented this year. The impact on the governmental activities September 30, 2014, unrestricted net position was a decrease of \$942,016.

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. 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.

Note 9 - Interfund Balances

At September 30, 2015, interfund balances consisted of:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 47,262	\$ -
Special Revenue Funds:		
Intergovernmental Shared Revenue	<u>-</u>	<u>47,262</u>
Total	<u>\$ 47,262</u>	<u>\$ 47,262</u>

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended September 30, 2015
Union County Sheriff

	Budgeted Amounts		
	Original	Final	Actual
Revenues	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
Current:			
General Government	23,465	23,465	10,283
Public Safety	1,855,116	1,883,498	1,893,264
Total Expenditures	1,878,581	1,906,963	1,903,547
Excess of Revenues Over (Under) Expenditures	(1,878,581)	(1,906,963)	(1,903,547)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	1,878,581	1,906,963	1,903,650
Reversion to Board of County Commissioners	-	-	(103)
Total Other Financing Sources (Uses)	1,878,581	1,906,963	1,903,547
Net Change in Fund Balances	-	-	-
Fund Balances - October 1, 2014	-	-	-
Fund Balances - September 30, 2015	\$ -	\$ -	\$ -

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.

**UNION COUNTY SHERIFF
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
Florida Retirement System (FRS)		
Proportion of the net pension liability (asset)	0.005214528%	0.005125844%
Proportionate share of the net pension liability (asset)	\$ 673,526	\$ 312,752
Covered-employee payroll	\$ 1,993,799	\$ 2,063,022
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.78%	15.16%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%
Health Insurance Subsidy Program (HIS)		
Proportion of the net pension liability (asset)	0.003094755%	0.003137990%
Proportionate share of the net pension liability (asset)	\$ 315,616	\$ 293,410
Covered-employee payroll	\$ 1,993,799	\$ 2,063,022
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.83%	14.22%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**UNION COUNTY SHERIFF
SCHEDULE OF CONTRIBUTIONS -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
<u>Florida Retirement System (FRS)</u>		
Contractually required contribution	\$ 121,821	\$ 118,624
Contributions in relation to the contractually required contribution	\$ (121,821)	\$ (118,624)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 1,993,799	 \$ 2,063,022
Contributions as a percentage of covered-employee payroll	6.11%	5.75%
<u>Health Insurance Subsidy Program (HIS)</u>		
Contractually required contribution	\$ 25,122	\$ 24,756
Contributions in relation to the contractually required contribution	\$ (25,122)	\$ (24,756)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 1,993,799	 \$ 2,063,022
Contributions as a percentage of covered-employee payroll	1.26%	1.20%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

Supplemental Information

Combining Statement of Fiduciary Net Position
Agency Funds
September 30, 2015
Union County Sheriff

	<u>Fines & Bonds Fund</u>	<u>Individual / Suspense</u>	<u>Total Agency Funds</u>
Assets			
Cash and Equivalents	\$ 3,225	\$ 14,095	\$ 17,320
Liabilities			
Assets Held For Others	3,225	-	3,225
Due to Other Governments	<u>-</u>	<u>14,095</u>	<u>14,095</u>
Total Liabilities	<u>3,225</u>	<u>14,095</u>	<u>17,320</u>
Net Position	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**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, 2015, and have issued our report thereon dated July 14, 2016.

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 14, 2016, 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 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. 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.

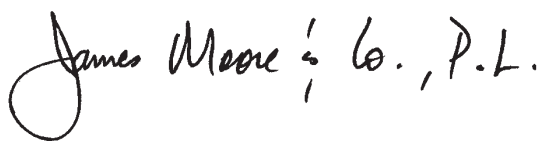
Other Matters

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.

A handwritten signature in black ink that reads "James Moore Esq., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
July 14, 2016

**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, 2015, 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 14, 2016, 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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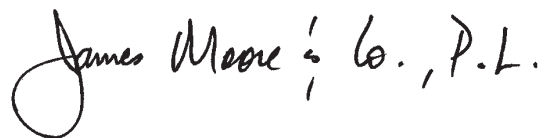
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
July 14, 2016

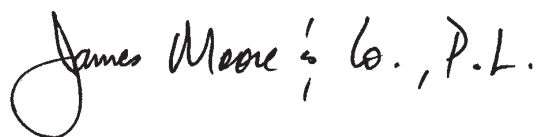
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2015. 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, 2015.



Gainesville, Florida
July 14, 2016

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**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
UNION COUNTY TAX COLLECTOR
SEPTEMBER 30, 2015**

**Special Purpose Financial Statements
and
Independent Auditors' Report
Union County Tax Collector
September 30, 2015
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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, 2015, 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

- 1 -

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Union County Tax Collector as of September 30, 2015, 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, 2015, 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.

As discussed in Note 5 to the financial statements, in 2015, the Union County Tax Collector adopted Governmental Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified in respect to this matter.

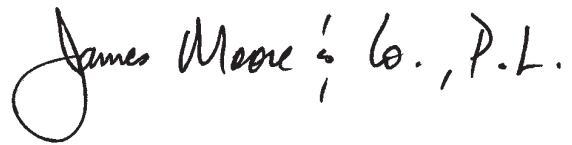
Other Matters

Required Supplementary Information

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style. The "J" is large and loops around the "M". The "&" is written as a simple ampersand. The "Co." is written in a cursive script, and "P.L." is written in a similar cursive style.

Gainesville, Florida
July 14, 2016

**Balance Sheet
Governmental Funds
September 30, 2015
Union County Tax Collector**

	General Fund
	<u> </u>
Assets	
Cash and Equivalents	\$ <u> -</u>
Liabilities and Fund Balance	
Liabilities	
Due to Other Governments	\$ <u> -</u>
Total Liabilities	-
Fund Balance	
Unassigned	<u> -</u>
Total Liabilities and Fund Balance	\$ <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, 2015
Union County Tax Collector**

	<u>General Fund</u>
Revenues	
Charges for Services	\$ 209,019
Miscellaneous Revenue	<u>1,618</u>
Total Revenues	210,637
Expenditures	
Current:	
General Government	<u>308,850</u>
Total Expenditures	<u>308,850</u>
Excess Revenues Over (Under) Expenditures	(98,213)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	105,121
Reversion to Board of County Commissioners	<u>(6,908)</u>
Total Other Financing Sources (Uses)	<u>98,213</u>
Net Change in Fund Balance	-
Fund Balance - October 1, 2014	<u>-</u>
Fund Balance - September 30, 2015	<u><u>\$ -</u></u>

The notes to financial statements are integral to this statement.

**Statement of Fiduciary Net Position
September 30, 2015
Union County Tax Collector**

	<u>Agency Fund</u>
Assets	
Cash and Equivalents	\$ 123,681
Liabilities	
Assets Held For Others	<u>123,681</u>
Net Position	\$ <u><u>-</u></u>

The notes to financial statements are integral to this statement.

Notes to Financial Statements
September 30, 2015
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, 2015
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, 2015
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 generally accepted accounting principles 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:

	Balance 10/01/14	Net Change Increase (Decrease)	Balance 09/30/15	Due Within One Year
Compensated Absences	\$ 4,332	\$ (151)	\$ 4,181	\$ 1,394

Notes to Financial Statements
September 30, 2015
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

(1) General Information about the Pension Plan— Essentially all regular employees of the Office are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the Office are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2014, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit.

Notes to Financial Statements
September 30, 2015
Union County Tax Collector
(Continued)

Note 5 - Pension Plan (continued)

Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected Office Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

CLASS	PERCENT OF GROSS SALARY	
	EMPLOYEE	EMPLOYER (A)
FRS - Regular	3.00%	7.37%
FRS - Special Risk Regular	3.00%	19.82%
FRS - EOC County	3.00%	43.24%
FRS - SMSC	3.00%	21.14%
DROP - Applicable to members from all of the above	0.00%	12.28%
FRS - Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.26% for the postemployment HIS (health insurance subsidy). Also, employer rates, other than for DROP participants include 0.03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

**Notes to Financial Statements
September 30, 2015
Union County Tax Collector
(Continued)**

Note 5 - Pension Plan (continued)

The Office's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the Office. The Office's contributions to the System for the years ended September 30, 2015, 2014, and 2013 were \$47,921 \$40,491 and \$18,333, respectively, which were equal to the required contributions for each fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

- (2) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—** At September 30, 2015, the Office reported a liability of \$302,362 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Office's proportion of the net pension liability was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating Office employees, actuarially determined. At June 30, 2015 and June 30, 2014, the Office's FRS proportion was 0.00187830372654354 and 0.00156583483557611 percent, respectively. At June 30, 2015 and June 30, 2014, the Office's HIS proportion was 0.000585909293450544 and 0.000607239490202825 percent, respectively. For the year ended September 30, 2015, the Office recognized pension expense of \$49,904. At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Notes to Financial Statements
September 30, 2015
Union County Tax Collector
(Continued)

Note 5 - Pension Plan (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
FRS - Change of Assumptions	\$ 16,103	\$ -
FRS - Net difference between projected and actual earnings on pension plan investments	-	57,931
FRS - Change in proportion and differences between Office contributions and proportionate share of contributions	131,831	-
FRS - Difference between expected and actual experience	25,612	5,754
FRS - Office contributions subsequent to the measurement date	11,046	-
HIS - Change of assumptions	4,701	-
HIS - Net difference between projected and actual earnings on pension plan investments	32	-
HIS - Changes in proportion and differences between Office contributions and proportionate share of contributions	-	6,775
HIS - Office contributions subsequent to the measurement date	746	-
Total	<u>\$ 190,071</u>	<u>\$ 70,460</u>

The \$11,046 and \$746 reported as deferred outflows of resources related to pensions resulting from Office contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September</u>	<u>Amount</u>
2016	\$ 9,234
2017	9,234
2018	9,234
2019	57,022
2020	19,186
Thereafter	3,909
Total	<u>\$ 107,819</u>

Notes to Financial Statements
September 30, 2015
Union County Tax Collector
(Continued)

Note 5 - Pension Plan (continued)

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 4.29%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The long-term rate of return is the arithmetic return.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.00%	3.20%
Fixed Income	18.00%	4.80%
Global Equities	53.00%	8.50%
Real Estate	10.00%	6.80%
Private Equity	6.00%	11.90%
Strategic Investments	12.00%	6.70%
Total	<u>100.00%</u>	

Notes to Financial Statements
September 30, 2015
Union County Tax Collector
(Continued)

Note 5 - Pension Plan (concluded)

Sensitivity of the Office's proportionate share of the net pension liability to changes in the discount rate. The following presents the Office's FRS and HIS proportionate share of the net pension liability calculated using the current discount rate, as well as what the Office's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.65%)	FRS Current Discount Rate (7.65%)	1% Increase (8.65%)
Office's FRS proportionate share of net pension liability	<u>\$ 628,653</u>	<u>\$ 242,608</u>	<u>\$ (78,644)</u>

	1% Decrease (2.80%)	HIS Current Discount Rate (3.80%)	1% Increase (4.8%)
Office's HIS proportionate share of net pension liability	<u>\$ 68,086</u>	<u>\$ 59,754</u>	<u>\$ 52,805</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

Restatement of Net Position. GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, in September 2012, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after September 15, 2014 and therefore were implemented this year. The impact on the governmental activities September 30, 2014, unrestricted net position was a decrease of \$289,982.

Notes to Financial Statements
September 30, 2015
Union County Tax Collector
(Concluded)

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, 2015
Union County Tax Collector**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Charges for Services	\$ 210,683	\$ 210,683	\$ 209,019
Miscellaneous Revenue	1,207	1,207	1,618
Total Revenues	211,890	211,890	210,637
Expenditures			
Current:			
General Government	312,460	312,677	308,850
Total Expenditures	312,460	312,677	308,850
Excess of Revenues Over (Under) Expenditures	(100,570)	(100,787)	(98,213)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	100,570	105,126	105,121
Reversion to Board of County Commissioners	-	(4,339)	(6,908)
Total Other Financing Sources (Uses)	100,570	100,787	98,213
Net Change in Fund Balances	-	-	-
Fund Balances - October 1, 2014	-	-	-
Fund Balances - September 30, 2015	\$ -	\$ -	\$ -

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

**UNION COUNTY TAX COLLECTOR
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
Florida Retirement System (FRS)		
Proportion of the net pension liability (asset)	0.001878304%	0.001565835%
Proportionate share of the net pension liability (asset)	\$ 242,608	\$ 95,539
Covered-employee payroll	\$ 650,217	\$ 582,604
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.31%	16.40%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%
Health Insurance Subsidy Program (HIS)		
Proportion of the net pension liability (asset)	0.000585909%	0.000607239%
Proportionate share of the net pension liability (asset)	\$ 59,754	\$ 56,778
Covered-employee payroll	\$ 650,217	\$ 582,604
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	9.19%	9.75%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**UNION COUNTY TAX COLLECTOR
SCHEDULE OF CONTRIBUTIONS -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
<u>Florida Retirement System (FRS)</u>		
Contractually required contribution	\$ 39,728	\$ 33,500
Contributions in relation to the contractually required contribution	\$ (39,728)	\$ (33,500)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 650,217	 \$ 582,604
Contributions as a percentage of covered-employee payroll	6.11%	5.75%
<u>Health Insurance Subsidy Program (HIS)</u>		
Contractually required contribution	\$ 8,193	\$ 6,991
Contributions in relation to the contractually required contribution	\$ (8,193)	\$ (6,991)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 650,217	 \$ 582,604
Contributions as a percentage of covered-employee payroll	1.26%	1.20%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**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, 2015, and have issued our report thereon dated July 14, 2016.

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 14, 2016, 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 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.

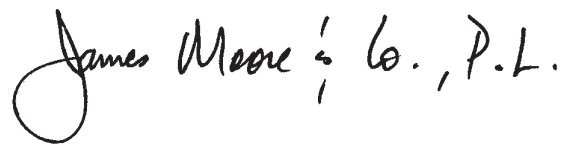
Other Matters

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.

A handwritten signature in black ink that reads "James Moore, Jr., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
July 14, 2016

**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, 2015, 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 14, 2016, 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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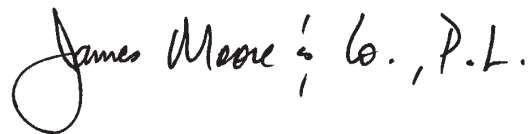
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

A handwritten signature in black ink that reads "James Moore Esq., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
July 14, 2016

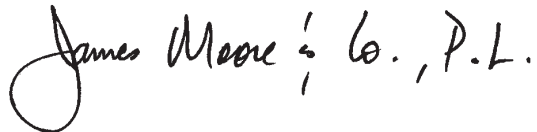
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2015. 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, 2015.



Gainesville, Florida
July 14, 2016

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**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
UNION COUNTY PROPERTY APPRAISER
SEPTEMBER 30, 2015**

**Special Purpose Financial Statements
and
Independent Auditors' Report
Union County Property Appraiser
September 30, 2015**

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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, 2015, 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

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund for the Union County Property Appraiser as of September 30, 2015, 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, 2015, 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.

As discussed in Note 5 to the financial statements, in 2015, the Union County Property Appraiser adopted Governmental Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified in respect to this matter.

Other Matters

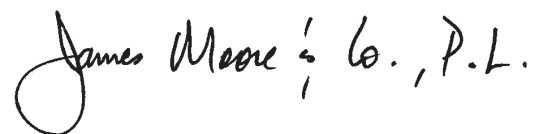
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and other required supplementary 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 14, 2016

**Balance Sheet
Governmental Fund
September 30, 2015
Union County Property Appraiser**

	General Fund
Assets	
Cash	\$ <u>9,736</u>
Total Assets	\$ <u><u>9,736</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	\$ 1,321
Due to Other Governments	<u>8,415</u>
Total Liabilities	9,736
Fund Balance	
Unassigned	<u>-</u>
Total Liabilities and Fund Balance	\$ <u><u>9,736</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, 2015
Union County Property Appraiser**

	General Fund
Revenues	
Charges for Services	\$ 8,489
Miscellaneous Revenue	132
Total Revenues	<u>8,621</u>
Expenditures	
Current:	
General Government	<u>375,942</u>
Excess Revenues Over (Under) Expenditures	(367,321)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	375,736
Reversion to Board of County Commissioners	(8,247)
Reversion to Other Governments	<u>(168)</u>
Total Other Financing Sources (Uses)	<u>367,321</u>
Net Change in Fund Balance	-
Fund Balance - October 1, 2014	-
Fund Balance - September 30, 2015	<u>\$ -</u>

The notes to financial statements are integral to this statement.

Notes to Financial Statements
September 30, 2015
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, 2015
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 generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Notes to Financial Statements
September 30, 2015
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>10/01/14</u>	<u>Net Change</u> <u>Increase (Decrease)</u>	<u>Balance</u> <u>9/30/15</u>	<u>Amount Due</u> <u>Within One Year</u>
Compensated Absences	\$ 16,485	\$ (6,525)	\$ 9,960	\$ 3,320

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, 2015
Union County Property Appraiser
(Continued)

Note 5 - Pension Plan

(1) General Information about the Pension Plan— Essentially all regular employees of the Office are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the Office are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2014, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit.

Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Notes to Financial Statements
September 30, 2015
Union County Property Appraiser
(Continued)

Note 5 - Pension Plan (continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected Office Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

CLASS	PERCENT OF GROSS SALARY	
	EMPLOYEE	EMPLOYER (A)
FRS - Regular	3.00%	7.37%
FRS - Special Risk Regular	3.00%	19.82%
FRS - EOC County	3.00%	43.24%
FRS - SMSC	3.00%	21.14%
DROP - Applicable to members from all of the above	0.00%	12.28%
FRS - Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.26% for the postemployment HIS (health insurance subsidy). Also, employer rates, other than for DROP participants include 0.03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

The Office's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the Office. The Office's contributions to the System for the years ended September 30, 2015, 2014, and 2013 were \$50,659 \$43,796 and \$22,681, respectively, which were equal to the required contributions for each fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

Notes to Financial Statements
September 30, 2015
Union County Property Appraiser
(Continued)

Note 5 - Pension Plan (continued)

(2) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions— At September 30, 2015, the Office reported a liability of \$288,877 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Office's proportion of the net pension liability was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating Office employees, actuarially determined. At June 30, 2015 and June 30, 2014, the Office's FRS proportion was 0.0016566173450364 and 0.00131796056831407 percent, respectively. At June 30, 2015 and June 30, 2014, the Office's HIS proportion was 0.000734448682886745 and 0.000751053021870369 percent, respectively. For the year ended September 30, 2015, the Office recognized pension expense of \$53,366. At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
FRS - Change of Assumptions	\$ 14,202	\$ -
FRS - Net difference between projected and actual earnings on pension plan investments	-	51,093
FRS - Change in proportion and differences between Office contributions and proportionate share of contributions	149,659	-
FRS - Difference between expected and actual experience	22,589	5,075
FRS - Office contributions subsequent to the measurement date	9,987	-
HIS - Change of assumptions	5,893	-
HIS - Net difference between projected and actual earnings on pension plan investments	41	-
HIS - Changes in proportion and differences between Office contributions and proportionate share of contributions	-	2,113
HIS - Office contributions subsequent to the measurement date	888	-
Total	<u>\$ 203,259</u>	<u>\$ 58,281</u>

Notes to Financial Statements
September 30, 2015
Union County Property Appraiser
(Continued)

Note 5 - Pension Plan (continued)

The \$9,987 and \$888 reported as deferred outflows of resources related to pensions resulting from Office contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Amount</u>
2016	\$ 16,587
2017	16,587
2018	16,587
2019	58,733
2020	21,273
Thereafter	4,336
Total	<u>\$ 134,103</u>

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 4.29%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

Notes to Financial Statements
September 30, 2015
Union County Property Appraiser
(Continued)

Note 5 - Pension Plan (continued)

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The long-term rate of return is the arithmetic return.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.00%	3.20%
Fixed Income	18.00%	4.80%
Global Equities	53.00%	8.50%
Real Estate	10.00%	6.80%
Private Equity	6.00%	11.90%
Strategic Investments	12.00%	6.70%
Total	<u>100.00%</u>	

Sensitivity of the Office's proportionate share of the net pension liability to changes in the discount rate. The following presents the Office's FRS and HIS proportionate share of the net pension liability calculated using the current discount rate, as well as what the Office's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Notes to Financial Statements
September 30, 2015
Union County Property Appraiser
(Concluded)

Note 5 - Pension Plan (concluded)

	FRS		
	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
Office's FRS proportionate share of net pension liability	\$ 554,456	\$ 213,974	\$ (69,362)

	HIS		
	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.8%)
Office's HIS proportionate share of net pension liability	\$ 85,348	\$ 74,902	\$ 66,192

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

Restatement of Net Position. GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, in September 2012, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after September 15, 2014 and therefore were implemented this year. The impact on the governmental activities September 30, 2014, unrestricted net position was a decrease of \$276,066.

Required Supplementary Information

**Schedule of Revenues, Expenditures and
Changes in Fund Balances - General Fund
Budget and Actual
For the Year Ended September 30, 2015
Union County Property Appraiser**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Charges for Services	\$ -	\$ -	\$ 8,489
Miscellaneous Revenue	-	-	132
Total Revenues	-	-	8,621
Expenditures			
Current:			
General Government	387,350	387,350	375,942
Excess Revenues Over (Under) Expenditures	(387,350)	(387,350)	(367,321)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	387,350	387,350	375,736
Reversion to Board of County Commissioners	-	-	(8,247)
Reversion to Other Governments	-	-	(168)
Total Other Financing Sources (Uses)	387,350	387,350	367,321
Net Change in Fund Balance	-	-	-
Fund Balance - October 1, 2014	-	-	-
Fund Balance - September 30, 2015	\$ -	\$ -	\$ -

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.

**UNION COUNTY PROPERTY APPRAISER
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
Florida Retirement System (FRS)		
Proportion of the net pension liability (asset)	0.001656617%	0.001317961%
Proportionate share of the net pension liability (asset)	\$ 213,974	\$ 80,415
Covered-employee payroll	\$ 687,368	\$ 630,158
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.13%	12.76%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%
Health Insurance Subsidy Program (HIS)		
Proportion of the net pension liability (asset)	0.000734449%	0.000751053%
Proportionate share of the net pension liability (asset)	\$ 74,902	\$ 70,225
Covered-employee payroll	\$ 687,368	\$ 630,158
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.90%	11.14%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**UNION COUNTY PROPERTY APPRAISER
SCHEDULE OF CONTRIBUTIONS -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
<u>Florida Retirement System (FRS)</u>		
Contractually required contribution	\$ 41,998	\$ 36,234
Contributions in relation to the contractually required contribution	\$ (41,998)	\$ (36,234)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 687,368	 \$ 630,158
Contributions as a percentage of covered-employee payroll	6.11%	5.75%
<u>Health Insurance Subsidy Program (HIS)</u>		
Contractually required contribution	\$ 8,661	\$ 7,562
Contributions in relation to the contractually required contribution	\$ (8,661)	\$ (7,562)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 687,368	 \$ 630,158
Contributions as a percentage of covered-employee payroll	1.26%	1.20%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**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, 2015, and have issued our report thereon dated July 14, 2016.

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 14, 2016, 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.

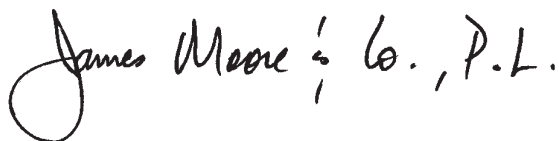
Other Matters

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style.

Gainesville, Florida
July 14, 2016

**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, 2015, 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 14, 2016, 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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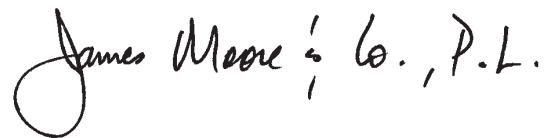
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Compliance and Other Matters

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive, flowing style with a large loop at the beginning.

Gainesville, Florida
July 14, 2016

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, 2015. 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, 2015.

James Moore & Co., P.L.

Gainesville, Florida
July 14, 2016

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**SPECIAL PURPOSE FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
UNION COUNTY SUPERVISOR OF ELECTIONS
SEPTEMBER 30, 2015**

**Special Purpose Financial Statements
and
Independent Auditors' Report
Union County Supervisor of Elections
September 30, 2015**

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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, 2015, 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

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund for the Union County Supervisor of Elections as of September 30, 2015, 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, 2015, 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.

As discussed in Note 5 to the financial statements, in 2015, the Union County Sheriff adopted Governmental Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified in respect to this matter.

Other Matters

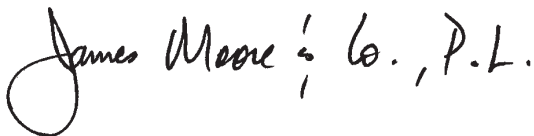
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and other required supplementary 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 14, 2016

**Balance Sheet
Governmental Fund
September 30, 2015
Union County Supervisor of Elections**

	General Fund
Assets	
Cash and Equivalents	\$ 769
Due from Governments	<u>3,500</u>
Total Assets	\$ <u><u>4,269</u></u>
Liabilities and Fund Balances	
Accounts Payable	\$ 180
Due to Other Governments	<u>5,493</u>
Total Liabilities	5,673
Fund Balances	
Unassigned	<u>(1,404)</u>
Total Fund Balances	<u>(1,404)</u>
Total Liabilities and Fund Balance	\$ <u><u>4,269</u></u>

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, 2015
Union County Supervisor of Elections

	General Fund
Revenues	
Charges for Services	\$ -
Total Revenue	-
Expenditures	
Current:	
General Government	<u>303,329</u>
Total Expenditures	<u>303,329</u>
Excess Revenues Over (Under) Expenditures	(303,329)
Other Financing Sources (Uses)	
Appropriations from Board of County Commissioners	301,925
Reversion to Board of County Commissioners	<u>0</u>
Total Other Financing Sources (Uses)	<u>301,925</u>
Net Change in Fund Balance	(1,404)
Fund Balance - October 1, 2014	<u>-</u>
Fund Balance (Deficit) - September 30, 2015	<u>\$ (1,404)</u>

The notes to financial statements are integral to this statement.

Notes to Financial Statements
September 30, 2015
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, 2015
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. Unassigned fund balance represents funds available for spending at the government's discretion.

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.

Notes to Financial Statements
September 30, 2015
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>10/01/14</u>	<u>Net Change</u> <u>Increase (Decrease)</u>	<u>Balance</u> <u>09/30/15</u>	<u>Amount Due</u> <u>Within a Year</u>
Compensated Absences	\$ <u>3,484</u>	\$ <u>2,103</u>	\$ <u>5,587</u>	\$ <u>1,862</u>

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, 2015
Union County Supervisor of Elections
(Continued)

Note 5 - Pension Plan

(1) General Information about the Pension Plan— Essentially all regular employees of the Office are eligible to enroll as members of the State-administered Florida Retirement System (FRS). Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the Office are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2014, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit.

Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

**Notes to Financial Statements
September 30, 2015
Union County Supervisor of Elections
(Continued)**

Note 5 - Pension Plan (continued)

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in this program. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, Elected Office Officers, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2014-15 fiscal year were as follows:

CLASS	PERCENT OF GROSS SALARY	
	EMPLOYEE	EMPLOYER (A)
FRS - Regular	3.00%	7.37%
FRS - Special Risk Regular	3.00%	19.82%
FRS - EOC County	3.00%	43.24%
FRS - SMSC	3.00%	21.14%
DROP - Applicable to members from all of the above	0.00%	12.28%
FRS - Reemployed Retiree	(B)	(B)

Notes: (A) Employer rates include 1.26% for the postemployment HIS (health insurance subsidy. Also, employer rates, other than for DROP participants include 0.03 percent for administrative costs of the Investment Plan.

(B) Contribution rates are dependent upon retirement class in which reemployed.

The Office's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the Office. The Office's contributions to the System for the years ended September 30, 2015, 2014, and 2013 were \$45,238, \$32,955 and \$14,988, respectively, which were equal to the required contributions for each fiscal year.

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at rep@dms.myflorida.com; or at the Division's Web site (www.frs.myflorida.com).

Notes to Financial Statements
September 30, 2015
Union County Supervisor of Elections
(Continued)

Note 5 - Pension Plan (continued)

(2) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions— At September 30, 2015, the Office reported a liability of \$246,314 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Office's proportion of the net pension liability was based on a projection of the Office's long-term share of contributions to the pension plan relative to the projected contributions of all participating Office employees, actuarially determined. At June 30, 2015 and June 30, 2014, the Office's FRS proportion was 0.00152090299627615 and 0.000940648964176077 percent, respectively. At June 30, 2015 and June 30, 2014, the Office's HIS proportion was 0.000488983685976201 and 0.000466169003566405 percent, respectively. For the year ended September 30, 2015, the Office recognized pension expense of \$51,463. At September 30, 2015, the Office reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
FRS - Change of Assumptions	\$ 13,039	\$ -
FRS - Net difference between projected and actual earnings on pension plan investments	-	46,908
FRS - Change in proportion and differences between Office contributions and proportionate share of contributions	159,184	-
FRS - Difference between expected and actual experience	20,739	4,659
FRS - Office contributions subsequent to the measurement date	7,888	-
HIS - Change of assumptions	3,923	-
HIS - Net difference between projected and actual earnings on pension plan investments	27	-
HIS - Changes in proportion and differences between Office contributions and proportionate share of contributions	1,771	1,356
HIS - Office contributions subsequent to the measurement date	528	-
Total	<u>\$ 207,099</u>	<u>\$ 52,923</u>

Notes to Financial Statements
September 30, 2015
Union County Supervisor of Elections
(Continued)

Note 5 - Pension Plan (continued)

The \$7,888 and \$528 reported as deferred outflows of resources related to pensions resulting from Office contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September</u>	<u>Amount</u>
2016	\$ 18,846
2017	18,846
2018	18,846
2019	57,541
2020	25,359
Thereafter	6,322
Total	<u>\$145,760</u>

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

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 4.29%. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The long-term rate of return is the arithmetic return.

Notes to Financial Statements
September 30, 2015
Union County Supervisor of Elections
(Continued)

Note 5 - Pension Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	1.00%	3.20%
Fixed Income	18.00%	4.80%
Global Equities	53.00%	8.50%
Real Estate	10.00%	6.80%
Private Equity	6.00%	11.90%
Strategic Investments	12.00%	6.70%
Total	<u>100.00%</u>	

Sensitivity of the Office's proportionate share of the net pension liability to changes in the discount rate. The following presents the Office's FRS and HIS proportionate share of the net pension liability calculated using the current discount rate, as well as what the Office's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.65%)	FRS Current Discount Rate (7.65%)	1% Increase (8.65%)
Office's FRS proportionate share of net pension liability (asset)	<u>\$ 509,033</u>	<u>\$ 196,445</u>	<u>\$ (63,680)</u>

	1% Decrease (2.80%)	HIS Current Discount Rate (3.80%)	1% Increase (4.8%)
Office's HIS proportionate share of net pension liability	<u>\$ 56,823</u>	<u>\$ 49,869</u>	<u>\$ 44,070</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

Notes to Financial Statements
September 30, 2015
Union County Supervisor of Elections
(Concluded)

Note 5 - Pension Plan (concluded)

Restatement of Net Position. GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, in September 2012, which replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after September 15, 2014 and therefore were implemented this year. The impact on the governmental activities September 30, 2014, unrestricted net position was a decrease of \$236,163.

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.

Note 7 – Budget Over-expenditure and Fund Deficit

General Fund expenditures exceeded appropriations by \$1,404, resulting in a deficit fund balance. General Fund expenditures exceeded budgeted expenditures by \$1,374.

Required Supplementary Information

**Schedule of Revenues, Expenditures
and Changes in Fund Balances – General Fund
Budget and Actual
For the Year Ended September 30, 2015
Union County Supervisor of Elections**

	Budgeted Amounts		
	Original	Final	Actual
Revenues			
Intergovernmental	\$ -	\$ 1,382	\$ -
Total Revenue	-	-	-
Expenditures			
Current:			
General Government	292,930	303,337	303,329
Total Expenditures	292,930	303,337	303,329
Excess Revenues Over (Under) Expenditures	(292,930)	(301,955)	(303,329)
Other Financing Sources (Uses)			
Appropriations from Board of County Commissioners	292,930	301,955	301,925
Reversion to Board of County Commissioners	-	-	-
Total Other Financing Sources (Uses)	292,930	301,955	301,925
Net Change in Fund Balances	-	-	(1,404)
Fund Balance - October 1, 2014	-	-	-
Fund Balance (Deficit) - September 30, 2015	\$ -	\$ -	\$ (1,404)

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.

**UNION COUNTY SUPERVISOR OF ELECTIONS
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
Florida Retirement System (FRS)		
Proportion of the net pension liability (asset)	0.001520903%	0.000940649%
Proportionate share of the net pension liability (asset)	\$ 196,445	\$ 57,393
Covered-employee payroll	\$ 613,813	\$ 474,173
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.00%	12.10%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%
Health Insurance Subsidy Program (HIS)		
Proportion of the net pension liability (asset)	0.000488984%	0.000466169%
Proportionate share of the net pension liability (asset)	\$ 49,869	\$ 43,588
Covered-employee payroll	\$ 613,813	\$ 474,173
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.12%	9.19%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.99%

NOTE 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**UNION COUNTY SUPERVISOR OF ELECTIONS
SCHEDULE OF CONTRIBUTIONS -
LAST 10 FISCAL YEAR AS OF SEPTEMBER 30**

	2015	2014
<u>Florida Retirement System (FRS)</u>		
Contractually required contribution	\$ 37,504	\$ 27,265
Contributions in relation to the contractually required contribution	\$ (37,504)	\$ (27,265)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 613,813	 \$ 474,173
Contributions as a percentage of covered-employee payroll	6.11%	5.75%
<u>Health Insurance Subsidy Program (HIS)</u>		
Contractually required contribution	\$ 7,734	\$ 5,690
Contributions in relation to the contractually required contribution	\$ (7,734)	\$ (5,690)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 \$ 613,813	 \$ 474,173
Contributions as a percentage of covered-employee payroll	1.26%	1.20%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the county will present information for only those years for which information is available.

**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:

We have audited the financial statements of the Union County Supervisor of Elections, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated July 14, 2016.

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 14, 2016, 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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Member of AGN International with offices in principal cities worldwide

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.

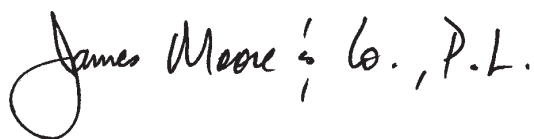
Other Matters

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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
July 14, 2016

**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, 2015, 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 14, 2016, 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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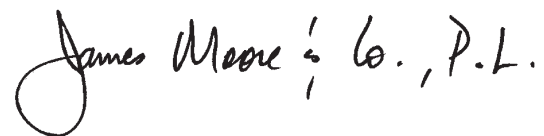
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looping initial "J".

Gainesville, Florida
July 14, 2016

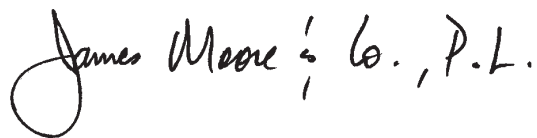
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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, 2015. 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, 2015.



Gainesville, Florida
July 14, 2016

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