

Levy County, Florida

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Levy County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County as of September 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the County restated the beginning net position and fund balance of the governmental activities and aggregate remaining fund information, respectively, to report impact fees previously deferred. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The information listed in the table of contents as supplementary information, including the Schedule of Expenditures of Federal Awards and State Financial Assistance, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 dated June 08, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 08, 2015

LEVY COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION and ANALYSIS

September 30, 2014

This Management Discussion and Analysis provides an objective and easily readable analysis of the County's financial activities for fiscal year ended September 30, 2014. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- Levy County's assets and deferred outflows exceeded total liabilities by \$96,088,794 (net position). Of this amount, \$10,721,646 is unrestricted net position while \$80,013,134 represents net investment in capital assets. The remaining \$5,354,014 is restricted net position.
- Net position of business-type activities decreased by \$377,090 over the previous year. Net position of governmental activities decreased \$6,545,056. Accordingly, net position of both business-type and governmental activities decreased a total of \$6,922,146.
- At September 30, 2014, the General Fund had an unassigned fund balance of \$172,568. The total fund balance increased \$1,918,875.
- At September 30, 2014, the County's governmental funds reported a combined fund balance of \$21,314,695.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information that may be of interest to the reader.

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 two government-wide financial statements are the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all assets, deferred outflows, liabilities and deferred inflows of the County, with assets plus deferred outflows minus liabilities minus deferred inflows reported as *net position*. Changes in net position over time may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The Statement of Activities presents information on all revenues and expenses of the County and the change in net position for the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and accounts payable).

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The County maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge Fund, EMS Fund, and Sales Tax Revenue Bond Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - *Internal services funds* are an accounting device used to accumulate and allocate costs internally among the various County functions. The County has no internal service fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to the Landfill/Recycling Fund.

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

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.

Other Information

In addition to the basic financial statements, and accompanying notes, this report also presents certain required supplementary information including budget to actual comparisons for the General Fund and major special revenue funds, and the Schedules of Funding Progress and Employer Contributions for OPEB Plans. Following the required supplementary information can be found combining balance sheets and combining statements of revenues, expenditures, and changes in fund balances for the nonmajor governmental funds, and schedules of expenditures of federal and state awards.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Levy County, assets and deferred outflows exceeded liabilities by \$96,088,794 at the close of the fiscal year ended September 30, 2014.

Levy County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 23,861,468	\$ 24,789,544	\$ 2,979,890	\$ 2,878,250	\$ 26,841,358	\$ 27,667,794
Capital assets	80,504,351	85,896,851	4,131,786	4,211,656	84,636,137	90,108,507
Total assets	104,365,819	110,686,395	7,111,676	7,089,906	111,477,495	117,776,301
Deferred outflows	219,060	243,400	-	-	219,060	243,400
Current and other liabilities	2,190,889	1,675,441	82,246	70,079	2,273,135	1,745,520
Long-term liabilities	7,432,764	7,748,072	5,901,862	5,515,169	13,334,626	13,263,241
Total liabilities	9,623,653	9,423,513	5,984,108	5,585,248	15,607,761	15,008,761
Net position:						
Net investment in capital assets	75,881,348	80,837,412	4,131,786	4,211,656	80,013,134	85,049,068
Restricted	5,354,014	5,705,436	-	-	5,354,014	4,567,766
Unrestricted	13,725,864	14,963,434	(3,004,218)	(2,706,998)	10,721,646	12,256,436
Total net position	\$ 94,961,226	\$ 101,506,282	\$ 1,127,568	\$ 1,504,658	\$ 96,088,794	\$ 101,873,270

The largest portion of the County's net position reflects its investment in capital assets, net of depreciation (e.g., land, roads, parks, buildings, and equipment) less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position represents resources that are subject to restrictions imposed externally on how they may be used.

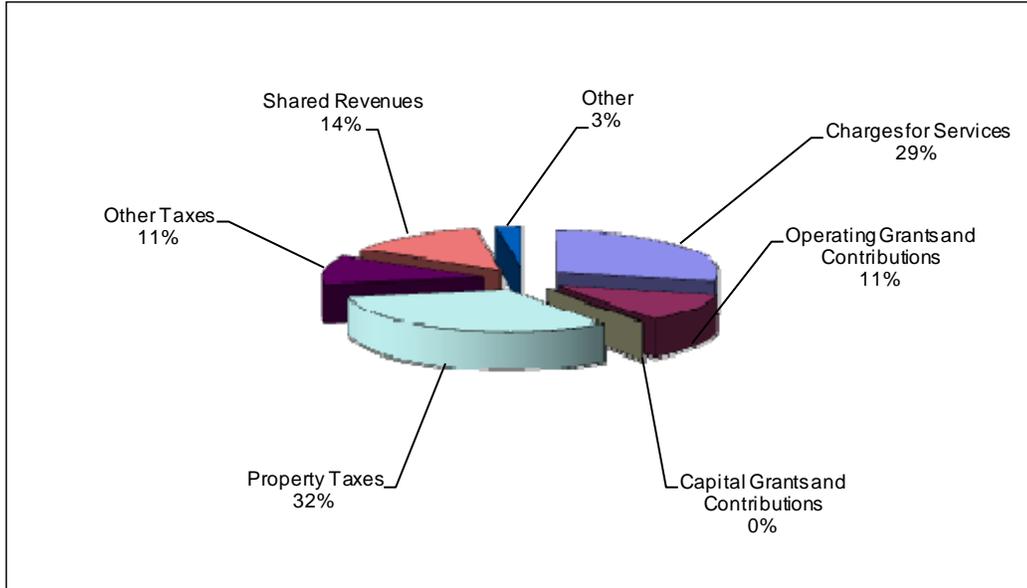
Changes in Net Position

The following schedule provides a summary of the changes in net position.

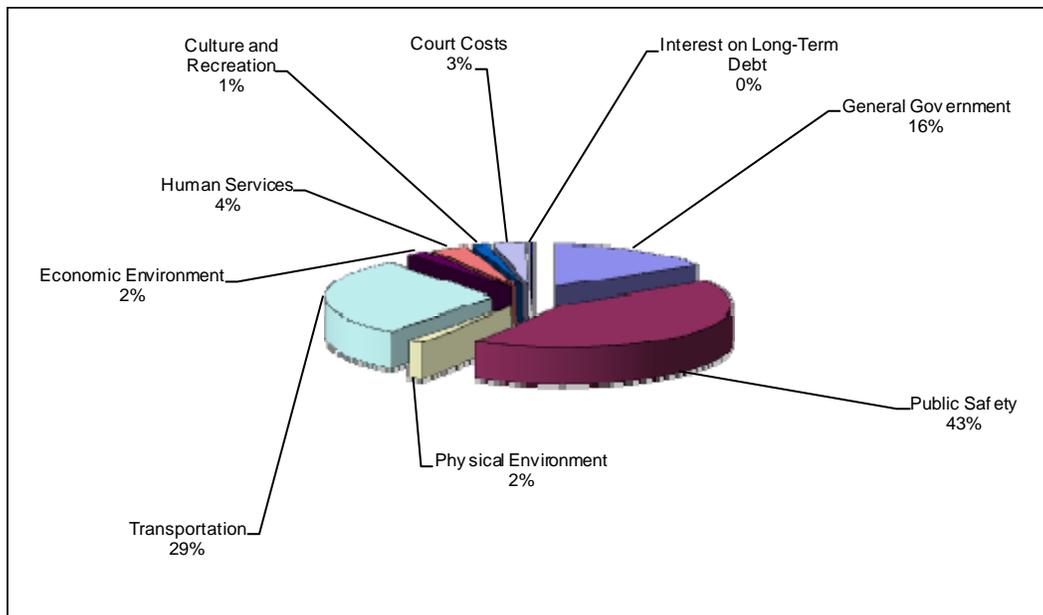
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 11,106,796	\$ 10,449,832	\$ 1,982,438	\$ 1,847,292	\$ 13,089,234	\$ 12,297,124
Operating grants and contributions	4,387,288	6,619,008	90,909	70,588	4,478,197	6,689,596
Capital grants and contributions	132,041	392,217	-	-	132,041	392,217
General revenues:						
Property taxes	12,598,630	12,523,924	-	-	12,598,630	12,523,924
Other taxes	4,241,952	4,098,083	-	-	4,241,952	4,098,083
Shared revenues	5,616,753	5,440,167	-	-	5,616,753	5,440,167
Other	947,008	995,753	17,876	10,603	964,884	1,006,356
Transfers	(13,800)	-	13,800	-	-	-
	39,016,668	40,518,984	2,105,023	1,928,483	41,121,691	42,447,467
Expenses						
General government	7,410,760	7,054,994	-	-	7,410,760	7,054,994
Public safety	19,381,083	17,580,237	-	-	19,381,083	17,580,237
Physical environment	690,305	666,808	2,482,113	2,208,917	3,172,418	2,875,725
Transportation	13,302,093	11,916,846	-	-	13,302,093	11,916,846
Economic environment	911,846	2,290,618	-	-	911,846	2,290,618
Human services	1,650,240	1,541,613	-	-	1,650,240	1,541,613
Culture and recreation	645,742	610,012	-	-	645,742	610,012
Court related	1,438,098	1,479,387	-	-	1,438,098	1,479,387
Interest on long-term debt	131,557	106,328	-	-	131,557	106,328
	45,561,724	43,246,843	2,482,113	2,208,917	48,043,837	45,455,760
Change in net position	(6,545,056)	(2,727,859)	(377,090)	(280,434)	(6,922,146)	(3,008,293)
Net position - beginning of year	101,506,282	104,234,141	1,504,658	1,785,092	103,010,940	106,019,233
Net position - end of year	\$ 94,961,226	\$ 101,506,282	\$ 1,127,568	\$ 1,504,658	\$ 96,088,794	\$ 103,010,940

Fiscal Year Ended September 2014

Revenues – Governmental Activities



Expenses – Governmental Activities



As noted earlier, net position may serve overtime as a useful indicator of a government's financial position. Assets plus deferred outflows exceeded liabilities by \$96,088,794.

The County had a depreciation in property values of \$48,096,338 from 2013 to 2014. Total revenues decreased \$1,312,000, representing a 3% decrease from 2013.

Charges for services increased from the previous year by \$792,000, and revenue from operating grants and contributions decreased by \$2,232,000. Governmental activities expenses exceeded revenues by \$6,545,000, while business-type activities expenses exceeded revenues by \$377,000. Total expenses increased by \$2,588,000 from the previous year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental Funds

As previously discussed, governmental funds measure current assets and liabilities and current or spendable resources. A fund's fund balance may provide a useful measure of the fund's net resources available for spending at the end of the fiscal year.

At the current time, the County has four major governmental funds. They are: 1) General Fund; 2) Road & Bridge Fund; 3) EMS Fund; and 4) Sales Tax Revenue Bond Debt Service Fund.

The General Fund is the chief operating fund of the County. The General Fund had an increase in fund balance of \$1,918,875. Total revenues and transfers in increased approximately \$3,393,000 while expenditures and transfers out increased approximately \$2,664,000 from the prior year. The total fund balance was \$6,592,060, of which approximately \$6,325,000 was assigned for subsequent year's expenditures.

The Road and Bridge Fund accounts for the maintenance of roads, bridges, right-of-ways, and drainage systems and is primarily funded by gas taxes. The fund had a total fund balance of \$1,154,970 at year-end. This was a decrease of \$592,584 from the prior year.

The Emergency Medical Services Fund accounts for emergency transport and medical services. The fund had a total fund balance of \$933,046. This was a decrease of \$28,998 from the prior year.

The Sales Tax Revenue Bond Debt Service Fund accounts for sales tax revenue accumulated and payments made for principal and interest on long term obligations. The fund had an ending fund balance of \$5,204,634.

Proprietary Funds

The County's enterprise fund provides the same type of information found in the government-wide financial statements, but in greater detail. The Landfill Fund accounts for the operations and maintenance of the County's landfill and recycling activities. Operating revenues for the Landfill Fund totaled \$1,982,438 in the current year. This amount consists of \$1,501,931 generated by tip and recycling fees and the amount of \$480,507 from special assessments. As of September 30, 2014, total net position was \$1,127,568.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget and actual comparison schedules are provided in the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the General Fund and all major special revenue funds with annually appropriated budgets. These schedules show the original budget, final budget, actual amounts, and the variances between actual and final budgeted amounts. Budget amendments are approved throughout the year. Budgets are revised for a variety of reasons, such as new grant awards, unanticipated revenue sources, unforeseen expenditures, etc.

Actual revenues of the General Fund were greater than the final budget by approximately \$201,000. Budgeted expenditures exceeded actual by approximately \$5.5 million due to \$1.9 and \$1.1 million of unexpended General Government and Public Safety expenditures as well as unexpended amounts in other functions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following schedule provides a summary of the County's capital assets.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 5,058,181	\$ 5,011,623	\$ 239,648	\$ 239,648	\$ 5,297,829	\$ 5,251,271
Buildings	12,932,988	12,880,443	3,421,219	3,501,716	16,354,207	16,382,159
Improvements	42,330	136,367	-	-	42,330	136,367
Equipment	5,270,631	5,319,447	470,919	470,292	5,741,550	5,789,739
Infrastructure	57,200,221	62,548,971	-	-	57,200,221	62,548,971
Capital assets, net	\$ 80,504,351	\$ 85,896,851	\$ 4,131,786	\$ 4,211,656	\$ 84,636,137	\$ 90,108,507

The County's total investment in capital assets for both its governmental and business type activities as of September 30, 2014, was \$84,636,137 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and a large portion of infrastructure. The county's financial statements reflect the cost of all roads, bridges, and drainage structures acquired or built over the last 25 years.

See Note 8 to the financial statements for more information about the County's capital assets.

Long-term Debt

On September 30, 2014, the County's governmental outstanding debt was \$7,432,764 and the business-type long-term debt was \$5,901,862. The majority of the governmental debt represents bonds secured by specific revenue sources as a method of repayment. For the business-type debt, the greater amount of the liability is the estimated future closure cost of the currently operating landfills and for the maintenance and monitoring functions for the twenty to thirty years after closure.

See Notes 9 and 10 to the financial statements for more information about the County's long-term debt.

NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS

Levy County has relied on property taxes and intergovernmental resources to fund its operations. The County has utilized grants, road, EMS, and park impact fees to help fund the infrastructure needs.

The Board of County Commissioners decreased the General Fund millage rate to 8.2741 mills for fiscal year 2015.

There were 134 residential housing permits issued in the County for fiscal year 2014, down from the previous year total of 148.

Total taxable property values increased \$15,051,539 from budget year 2014 to 2015. This translates to a higher expectation for ad valorem tax revenue.

REQUESTS FOR INFORMATION

This report was designed to provide an overview of the County's finances. If you have questions concerning this report, contact the Levy County Clerk of Court, Board Finance, 355 South Court Street, Bronson, Florida 32621.

Levy County, Florida

Statement of Net Position
September 30, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and equivalents	\$ 17,953,719	\$ 180,188	\$ 18,133,907
Investments	3,987,191	14,115	4,001,306
Due from other governments	1,349,168	12,434	1,361,602
Receivables	506,083	210,784	716,867
Internal balances	12,732	(12,732)	-
Prepays	52,575	-	52,575
Restricted assets:			
Cash and equivalents	-	2,186,577	2,186,577
Investments	-	388,524	388,524
Capital assets:			
Non-depreciable	5,058,181	239,648	5,297,829
Depreciable, net	75,446,170	3,892,138	79,338,308
Total assets	104,365,819	7,111,676	111,477,495
Deferred outflows			
Deferred loss on refunding	219,060	-	219,060
Liabilities			
Accounts payable and accrued liabilities	2,069,334	82,246	2,151,580
Unearned revenue	106,705	-	106,705
Other liabilities	14,850	-	14,850
Noncurrent liabilities:			
Due within one year	1,099,085	228,518	1,327,603
Due in more than one year	6,333,679	5,673,344	12,007,023
Total liabilities	9,623,653	5,984,108	15,607,761
Net position			
Net investment in capital assets	75,881,348	4,131,786	80,013,134
Restricted:			
Court costs	2,652,093	-	2,652,093
Other purposes	2,701,921	-	2,701,921
Unrestricted	13,725,864	(3,004,218)	10,721,646
Total net position	\$ 94,961,226	\$ 1,127,568	\$ 96,088,794

See accompanying notes.

Levy County, Florida

Statement of Activities
Year ended September 30, 2014

Functions/programs	Program revenues			Net (expense) revenue and changes in net position			
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities:							
General government	\$ 7,410,760	\$ 873,506	\$ 16,877	\$ -	\$ (6,520,377)	\$ -	\$ (6,520,377)
Public safety	19,381,083	7,397,580	1,004,109	-	(10,979,394)	-	(10,979,394)
Physical environment	690,305	81,893	45,639	-	(562,773)	-	(562,773)
Transportation	13,302,093	1,994,895	2,173,218	107,517	(9,026,463)	-	(9,026,463)
Economic environment	911,846	2,996	462,147	-	(446,703)	-	(446,703)
Human services	1,650,240	18,531	22,092	-	(1,609,617)	-	(1,609,617)
Culture and recreation	645,742	85,437	123,870	24,524	(411,911)	-	(411,911)
Court costs	1,438,098	651,958	539,336	-	(246,804)	-	(246,804)
Interest on long-term debt	131,557	-	-	-	(131,557)	-	(131,557)
Total government activities	45,561,724	11,106,796	4,387,288	132,041	(29,935,599)	-	(29,935,599)
Business-type activities:							
Landfill	2,482,113	1,982,438	90,909	-	-	(408,766)	(408,766)
Total	\$ 48,043,837	\$ 13,089,234	\$ 4,478,197	\$ 132,041	(29,935,599)	(408,766)	(30,344,365)
General revenues:							
Property taxes					12,598,630	-	12,598,630
Sales taxes					2,660,893	-	2,660,893
Gas taxes					1,188,462	-	1,188,462
Tourist development tax					171,836	-	171,836
Communication service tax					220,761	-	220,761
Unrestricted shared revenues					5,616,753	-	5,616,753
Impact fees					109,136	-	109,136
Investment earnings					56,393	17,876	74,269
Miscellaneous					781,479	-	781,479
Transfers					(13,800)	13,800	-
Total general revenues and transfers					23,390,543	31,676	23,422,219
Change in net position					(6,545,056)	(377,090)	(6,922,146)
Net position – beginning of year, as restated					101,506,282	1,504,658	101,873,270
Net position – end of year					\$ 94,961,226	\$ 1,127,568	\$ 96,088,794

See accompanying notes.

Levy County, Florida

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund	Road and Bridge	EMS Fund	Sales Tax Revenue	Other Governmental Funds	Totals
Assets						
Cash and equivalents	\$ 6,966,968	\$ 818,682	\$ 960,069	\$ 1,167,496	\$ 8,040,504	\$ 17,953,719
Investments	10,153	6,340	7	3,927,729	42,962	3,987,191
Due from other funds	129,717	85,598	3,097	-	40,756	259,168
Due from other governments	610,643	352,214	184	109,409	276,718	1,349,168
Receivables	61,198	280	387,886	-	56,719	506,083
Prepays	6,391	-	-	-	1,298	7,689
Total assets	\$ 7,785,070	\$ 1,263,114	\$ 1,351,243	\$ 5,204,634	\$ 8,458,957	\$ 24,063,018
Liabilities						
Accounts payable and accrued liabilities	\$ 977,416	\$ 107,618	\$ 101,548	\$ -	\$ 745,273	\$ 1,931,855
Due to other funds	37,942	53	17,460	-	190,981	246,436
Due to other governments	129,817	473	-	-	7,189	137,479
Deposits	-	-	-	-	7,008	7,008
Unearned revenue	4,575	-	100,000	-	2,130	106,705
Total liabilities	1,149,750	108,144	219,008	-	952,581	2,429,483
Deferred inflows						
Unavailable revenue	43,260	-	199,189	-	76,391	318,840
Fund balances						
Nonspendable: prepaids	6,391	-	-	-	1,298	7,689
Restricted	88,101	-	-	-	5,265,913	5,354,014
Assigned	6,325,000	1,154,970	933,046	5,204,634	2,162,774	15,780,424
Unassigned	172,568	-	-	-	-	172,568
Total fund balances	6,592,060	1,154,970	933,046	5,204,634	7,429,985	21,314,695
Total liabilities, deferred inflows and fund balances	\$ 7,785,070	\$ 1,263,114	\$ 1,351,243	\$ 5,204,634	\$ 8,458,957	\$ 24,063,018

See accompanying notes.

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

Fund balances – total governmental funds	\$ 21,314,695
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds.	
Capital assets – net	80,504,351
Long-term liabilities are not reported in the governmental funds.	
Bonds payable	(4,705,000)
Bond premium	(115,055)
Net OPEB obligation	(990,317)
Due to other governments - Medicaid obligation	(281,484)
Capital lease	(22,008)
Compensated absences	(1,318,900)
Deferred loss on refunding of bonds is not reported in the governmental funds.	219,060
Interest payable on long-term debt is not accrued in the governmental funds.	(7,842)
Unavailable revenue is reported as a deferred inflow in governmental funds but not in governmental activities.	318,840
Unamortized prepaid insurance relating to bonds is not reported in the governmental funds.	44,886
Net position of governmental activities	\$ 94,961,226

See accompanying notes.

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

	General Fund	Road and Bridge	EMS Fund	Sales Tax Revenue	Other Governmental Funds	Totals
Revenues						
Taxes	\$ 15,480,284	\$ 1,188,462	\$ -	\$ -	\$ 171,836	\$ 16,840,582
Permits, fees and special assessments	232,587	3,950	2,610,908	-	2,127,748	4,975,193
Intergovernmental revenue	4,098,632	2,772,496	49,597	1,321,856	1,884,945	10,127,526
Charges for services	1,712,541	-	1,836,206	-	1,288,250	4,836,997
Fines and forfeitures	5,828	-	-	-	319,258	325,086
Miscellaneous revenue	383,522	1,149,635	47,083	33,386	392,434	2,006,060
Total revenues	21,913,394	5,114,543	4,543,794	1,355,242	6,184,471	39,111,444
Expenditures						
Current:						
General government	7,326,384	-	-	1,500	23,945	7,351,829
Public safety	11,742,804	-	4,985,695	-	2,092,519	18,821,018
Physical environment	561,361	-	-	-	119,020	680,381
Transportation	-	5,707,127	-	-	1,767,891	7,475,018
Economic environment	242,687	-	-	-	664,466	907,153
Human services	1,786,180	-	-	-	-	1,786,180
Culture and recreation	669,597	-	-	-	27,224	696,821
Court costs	351,876	-	-	-	1,069,403	1,421,279
Capital outlay	-	-	-	-	761,333	761,333
Debt service:						
Principal	87,840	-	-	470,000	-	557,840
Interest	4,536	-	-	116,248	-	120,784
Total expenditures	22,773,265	5,707,127	4,985,695	587,748	6,525,801	40,579,636
Excess of revenues over (under) expenditures	(859,871)	(592,584)	(441,901)	767,494	(341,330)	(1,468,192)
Other financing sources (uses)						
Transfers in	3,382,987	-	412,903	-	501,186	4,297,076
Transfers out	(714,089)	-	-	(3,250,000)	(332,987)	(4,297,076)
Capital lease	109,848	-	-	-	-	109,848
Total other financing sources (uses)	2,778,746	-	412,903	(3,250,000)	168,199	109,848
Net change in fund balances	1,918,875	(592,584)	(28,998)	(2,482,506)	(173,131)	(1,358,344)
Fund balances – beginning of year, as restated	4,673,185	1,747,554	962,044	7,687,140	7,603,116	22,673,039
Fund balances – end of year	\$ 6,592,060	\$ 1,154,970	\$ 933,046	\$ 5,204,634	\$ 7,429,985	\$ 21,314,695

See accompanying notes.

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

Net change in fund balances – total governmental funds \$ (1,358,344)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Acquisitions of capital assets	3,316,434
Current year depreciation expense	(8,460,692)
Loss on asset disposal	(234,442)
Contribution to business-type activities	(13,800)

The issuance of long-term debt provides current financial resources for governmental funds, while the repayment of long-term debt consumes current financial resources, but neither transaction has any effect on net position of governmental activities.

Debt issuance	(109,848)
Principal payments	557,840

The timing of revenue recognition sometimes differs between the governmental funds and governmental activities.

(80,976)

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 OPEB obligation	(175,115)
Due to other governments - Medicaid obligation	99,347
Compensated absences	(69,700)
Interest on long-term debt	(10,773)
Amortization of prepaid insurance on bonds	(4,987)

Change in net position of governmental activities **\$ (6,545,056)**

See accompanying notes.

Levy County, Florida

Statement of Net Position – Proprietary Funds
September 30, 2014

	Business-type Activities Enterprise Fund
	Landfill Fund
Current assets	
Cash and equivalents	\$ 180,188
Investments	14,115
Due from other funds	697
Due from other governments	12,434
Receivables	210,784
Total current assets	418,218
Noncurrent assets	
Restricted cash and equivalents	2,186,577
Restricted investments	388,524
Capital assets, net	4,131,786
Total noncurrent assets	6,706,887
Total assets	7,125,105
Current liabilities	
Accounts payable and accrued liabilities	82,246
Due to other funds	13,429
Current portion of long-term liabilities	228,518
Total current liabilities	324,193
Noncurrent liabilities	5,673,344
Total liabilities	5,997,537
Net position	
Investment in capital assets	4,131,786
Unrestricted	(3,004,218)
Total net position	\$ 1,127,568

See accompanying notes.

Levy County, Florida

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

	Business-type Activities Enterprise Fund
	Landfill Fund
Operating revenues	
User fees	\$ 1,501,931
Special assessments	480,507
Total operating revenues	1,982,438
Operating expenses	
Personal services	796,483
Operating expenses	1,126,627
Depreciation	174,545
Closure and long-term care costs	382,693
Total operating expenses	2,480,348
Operating loss	(497,910)
Nonoperating revenues (expenses)	
Interest revenue	17,876
Grants	90,909
Loss on disposal of capital assets	(1,765)
Total nonoperating revenues (expenses)	107,020
Income before capital contribution	(390,890)
Capital contribution	13,800
Change in net position	(377,090)
Net position – beginning of year	1,504,658
Net position – end of year	\$ 1,127,568

See accompanying notes.

Levy County, Florida
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2014

	Business-type Activities
	Enterprise Fund Landfill Fund
Cash flows from operating activities	
Receipts from customers	\$ 1,962,161
Payments to suppliers	(1,117,657)
Payments to employees	(789,469)
Net cash provided (used) by operating activities	55,035
Cash flows from noncapital financing activities	
Grants received	90,909
Cash flows from capital and related financing activities	
Acquisition of capital assets	(82,640)
Cash flows from investing activities	
Investment income	17,876
Acquisition of investments	(2,909)
Net cash provided (used) by investing activities	14,967
Net change in cash and equivalents	78,271
Cash and equivalents – beginning of year	2,302,609
Cash and equivalents – end of year	\$ 2,380,880

A reconciliation of cash and equivalents per the statement of cash flows to the statement of net position is as follows:

Cash and equivalents	\$ 2,366,765
Investments	14,115
Total cash and equivalents per statement of cash flows	\$ 2,380,880

Reconciliation of operating loss to net cash provided by operating activities:

Operating loss	\$ (497,910)
Depreciation	174,545
Change in:	
Due from other funds	2,765
Due from other governments	(136)
Receivables	(22,906)
Accounts payable and accrued liabilities	12,167
Due to other funds	(183)
Compensated absences	4,000
Accrued closure and long-term care	382,693
Net cash provided by operating activities	\$ 55,035

Noncash capital and related financing activities

Contribution of capital assets from governmental activities	\$ 13,800
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See accompanying notes.

Levy County, Florida

Statement of Fiduciary Net Position
Agency Funds
September 30, 2014

Assets

Cash and equivalents	\$ 1,875,584
Receivables	3,057

Total assets	1,878,641
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Liabilities

Assets held for others	1,878,641
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Net position	\$ -
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See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Levy County (the “County”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

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

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

Discretely Presented Component Units – Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate entities. There are no discretely presented component units included in the County’s financial reporting entity. The Levy County Development Authority (LCDA), which is a dependent special district created by County Resolution pursuant to the authority provided in Chapter 159, Florida Statutes, for the purpose of developing and promoting economic growth in Levy County, is a component unit of the County and would be discretely presented. However, there was no financial activity during the 2013-2014 fiscal year for the LCDA.

Related Organization – The Nature Coast Business Development Council, Inc. is a not-for-profit corporation organized for the purposes of furthering the economic development of Levy County and its environs, and promoting and assisting the growth and development of business concerns in the County of Levy, and is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. The Executive Board of the Council is comprised of 11 members, and 5 are appointed by the Levy County Board of County Commissioners and the remaining 6 members are appointed by the Board appointees. There is no financial benefit or burden to the County and the County cannot impose its will on the Council. Consequently, the Nature Coast Business Development Council, Inc. is considered a related organization of Levy County. During the year the County appropriated \$54,478 to the Council from the General Fund.

Jointly Governed Organization – The governments of Putnam, Alachua and Levy Counties established the Putnam, Alachua, Levy Library Cooperative through an interlocal agreement. The Cooperative’s purpose is to provide for the coordination of library service throughout the region, to provide for equal access to free public library service to all residents of the region, and to formulate and implement consistent plans, programs, policies, and procedures in the operation, maintenance and development of library services throughout the region.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Cooperative is governed by a Board consisting of 8 members, 2 of which are appointed by each participating county with the remaining two appointed by the Alachua County Library District. A copy of the Cooperative's separate financial statements may be obtained from its website.

Joint Ventures – The County did not participate in any joint ventures during 2014.

Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include: charges for services that are directly related to a given function; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other revenues not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

The County reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund consists of the board of county commissioners countywide general fund as well as each constitutional officer's general operating fund.

Road and Bridge Fund – This fund is used to account for the operations of the road and bridge department. Funding is provided primarily by gasoline taxes that are imposed locally and those that are levied by the State and shared with the County.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMS Fund – This fund is used to account for the operations of the ambulance and emergency services department. Revenues are primarily from special assessments, and fees charged for emergency transport and medical services.

Sales Tax Revenue Debt Service Fund – This fund is used to account for debt service payments for the public improvement revenue refunding bonds, series 2012.

The County reports the following major enterprise fund:

Landfill Fund – This fund is used to account for operations of the County's landfill and recycling activities. Additionally, the County reports the following fund type:

Additionally, the County reports the following fund type:

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

Measurement Focus and Basis of Accounting

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

Proprietary funds record both operating and nonoperating revenues and expenses. The principal operating revenues are those that are obtained from the operations of the proprietary fund and include user fees and special assessments. Nonoperating revenues are not related to the operations of the proprietary fund and include interest earnings and grants. Operating expenses represent the cost of operations, which includes depreciation. Nonoperating expenses are not related to operations, such as interest expense.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Equivalents

The financial institutions in which the county agencies place their deposits are certified as “qualified public depositories,” as required under the Florida Security for Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

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

Investments

The County invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the “State Pool”) and in non-negotiable certificates of deposit. The State Pool is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight.

The State Pool has adopted operating procedures consistent with the requirements for a 2a7-like fund.

The fair value of the position in the pool is equal to the value of the pool shares. All non-negotiable certificates of deposits are in qualified public depositories.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. An offsetting nonspendable amount is reported in the fund financial statements to indicate that prepaids do not represent available spendable resources.

Receivables

Accounts receivable of the governmental funds are reported net of an allowance for uncollectible accounts of approximately \$873,000. The allowance represents approximately 69% of gross ambulance service accounts receivable at September 30, 2014.

Management believes the accounts receivable of the proprietary fund are fully collectible.

Capital Assets

Capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value on the date donated. The threshold for capitalizing property and equipment is generally \$5,000. The threshold for capitalizing infrastructure is \$25,000.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County began prospective reporting of general infrastructure assets at the effective date of GASB Statement No. 34. The estimated cost of the initial reporting of these assets was obtained through backtrending (i.e. estimating the current replacement cost of the infrastructure and using appropriate indices to deflate the cost to the acquisition year or estimated acquisition year). The reported values exclude normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30 – 50 yrs.
Improvements	10 – 50 yrs.
Equipment	5 – 15 yrs.
Infrastructure	10 – 50 yrs.

Compensated Absences

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

Deferred Outflows/Inflows of Resources

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

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

Fund Balance

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Restricted Net Position

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

The accompanying statement of net position includes approximately \$1,635,000 of net position restricted by enabling legislation.

Use of Estimates

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

NOTE 2 – CASH AND INVESTMENTS

Deposits with Financial Institutions

The financial institutions in which the county agencies place their deposits are certified as "qualified public depositories," as required under the Florida Security for Public Deposits Act. Therefore, the deposits are entirely insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments

The County invests excess public funds pursuant to the guidelines established in Section 218.415, Florida Statutes, which authorizes investments in the following instruments: The Local Government Surplus Funds Trust Fund; Securities and Exchange Commission registered money market funds with the highest credit quality rating; savings accounts and certificates of deposit in qualified public depositories; and direct obligations of the U.S. Treasury.

The County’s investments at September 30, 2014 are comprised of the following:

State pool	\$ 83,672
Certificates of deposit	4,306,158
<hr/>	
Total	<u>\$ 4,389,830</u>

The County’s investment in the State Pool exposes it to credit risk and interest rate risk. These risks are hereafter described.

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State Pool is rated by Standard & Poors. The rating at September 30, 2014, was AAAm.

Interest Rate Risk – The risk that changes in interest rates will adversely affect the fair value of an investment. A portfolio’s WAL is the dollar weighted average length of time until securities held reach maturity. The weighted average days to maturity (WAM) of the State Pool at September 30, 2014, was 40 days.

The County does not have a formal investment policy relating to the aforementioned risks, other than Section 218.415, Florida Statutes, for investing public funds. That statute limits the County’s exposure to credit risk and interest rate risk by limiting authorized investment options as previously described.

Notes to Financial Statements

NOTE 3 – PROPERTY TAXES

In governmental funds, property tax revenues are recognized when levied, to the extent that they result in current receivables.

Details of the property tax calendar are presented below:

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

NOTE 4 – MORTGAGE RECEIVABLE

Mortgage receivable consists of a loan for \$24,500 plus interest of 4% per annum and is secured by the property. The unpaid balance as of September 30, 2014, was \$22,410 and is included in receivables in the SHIP Fund, (a nonmajor governmental fund). A balloon payment of \$22,410 is due as of September 30, 2014.

NOTE 5 – FUND BALANCE CLASSIFICATIONS

Fund balance is *restricted* for the following purposes:

	General Fund	Other Governmental Funds	Total
Public safety	\$ -	\$ 463,598	\$ 463,598
Physical environment	3,927	-	3,927
Transportation	-	1,349,029	1,349,029
Economic environment	-	635,100	635,100
Culture and recreation	80,965	169,302	250,267
Court costs	3,209	2,648,884	2,652,093
Total restricted fund balance	\$ 88,101	\$ 5,265,913	\$ 5,354,014

Notes to Financial Statements

NOTE 5 – FUND BALANCE CLASSIFICATIONS (CONTINUED)

Fund balance is *assigned* for the following purposes:

	General Fund	Road and Bridge	EMS Fund	Sales Tax Revenue	Other Governmental Funds	Total
Public safety	\$ -	\$ -	\$ 933,046	\$ -	\$ 546,432	\$ 1,479,478
Physical environment	-	-	-	-	69,965	69,965
Transportation	-	1,154,970	-	-	705,644	1,860,614
Capital outlay	-	-	-	-	840,733	840,733
Debt service	-	-	-	5,204,634	-	5,204,634
Subsequent year's expenditures	6,325,000	-	-	-	-	6,325,000
Total assigned fund balance	\$ 6,325,000	\$ 1,154,970	\$ 933,046	\$ 5,204,634	\$ 2,162,774	\$ 15,780,424

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Governmental Funds

At September 30, 2014, General Fund payables consisted of 36% wages and benefits payable and 64% payable to vendors in the normal course of business.

The payables of the other governmental funds consist primarily of amounts due for goods and services received in the normal course of business.

Proprietary Fund

Enterprise Fund payables consisted of 18% wages and benefits payable and 82% payable to vendors in the normal course of business.

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

At September 30, 2014, interfund balances consisted of:

	Due to					Total
	General Fund	Road and Bridge	EMS Fund	Other Governmental Funds	Proprietary	
Due from						
General Fund	\$ -	\$ 19,590	\$ 3,097	\$ 14,558	\$ 697	\$ 37,942
Road and Bridge	-	-	-	53	-	53
EMS Fund	121	12,339	-	5,000	-	17,460
Other Governmental Funds	129,596	40,240	-	21,145	-	190,981
Proprietary	-	13,429	-	-	-	13,429
Total	\$129,717	\$ 85,598	\$ 3,097	\$40,756	\$ 697	\$259,865

Notes to Financial Statements

NOTE 7 – INTERFUND BALANCES AND TRANSFERS (CONTINUED)

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

Interfund transfers are summarized below:

	Transfers out			Total
	General Fund	Sales Tax Revenue	Other Govern- mental	
Transfers in				
General Fund	\$ -	\$3,250,000	\$ 132,987	\$ 3,382,987
EMS Fund	412,903	-	-	412,903
Other Governmental Funds	301,186	-	200,000	501,186
Total	\$ 714,089	\$3,250,000	\$ 332,987	\$ 4,297,076

Interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

Notes to Financial Statements

NOTE 8 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

Governmental activities	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Capital assets not being depreciated:				
Land	\$ 5,011,623	\$ 46,558	\$ -	\$ 5,058,181
Capital assets being depreciated:				
Buildings	20,022,528	350,090	-	20,372,618
Improvements	405,127	-	47,066	358,061
Equipment	19,316,637	2,161,949	2,139,769	19,338,817
Infrastructure	200,860,966	757,837	69,031	201,549,772
Total capital assets being depreciated	240,605,258	3,269,876	2,255,866	241,619,268
Less accumulated depreciation for:				
Buildings	7,142,085	297,545	-	7,439,630
Improvements	268,760	46,971	-	315,731
Equipment	13,997,190	2,078,620	2,007,624	14,068,186
Infrastructure	138,311,995	6,037,556	-	144,349,551
Total accumulated depreciation	159,720,030	8,460,692	2,007,624	166,173,098
Total capital assets being depreciated, net	80,885,228	(5,190,816)	248,242	75,446,170
Governmental activities capital assets, net	\$ 85,896,851	\$ (5,144,258)	\$ 248,242	\$ 80,504,351

Depreciation expense was charged to governmental activities as follows:

General government	\$ 482,859
Public safety	905,744
Physical environment	46,008
Transportation	6,975,194
Economic environment	651
Human services	29,155
Culture and recreation	21,081
Total	\$ 8,460,692

Notes to Financial Statements

NOTE 8 – CHANGES IN CAPITAL ASSETS (CONTINUED)

Business-type activities	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Capital assets not being depreciated:				
Land	\$ 239,648	\$ -	\$ -	\$ 239,648
Capital assets being depreciated:				
Buildings	3,998,725	-	-	3,998,725
Equipment	2,239,311	96,440	83,216	2,252,535
Total capital assets being depreciated	6,238,036	96,440	83,216	6,251,260
Less accumulated depreciation for:				
Buildings	497,009	80,497	-	577,506
Equipment	1,769,019	94,048	81,451	1,781,616
Total accumulated depreciation	2,266,028	174,545	81,451	2,359,122
Total capital assets being depreciated, net	3,972,008	(78,105)	1,765	3,892,138
Business-type activities capital assets, net	\$ 4,211,656	\$ (78,105)	\$ 1,765	\$ 4,131,786

NOTE 9 – LONG-TERM LIABILITIES

At September 30, 2014, the County’s governmental activities long-term liabilities consisted of:

Public improvement revenue refunding bonds, series 2012	\$ 4,705,000
Bond premium	115,055
Other postemployment benefit obligation	990,317
Due to other governments - Medicaid obligation	281,484
Capital lease	22,008
Compensated absences	1,318,900
Total governmental activities long-term liabilities	\$ 7,432,764

Public Improvement Revenue Refunding Bonds, Series 2012

Levy County public improvement revenue refunding bonds, series 2012, dated November 14, 2012, were issued in the amount of \$5,655,000 to advance refund the County’s outstanding public improvement revenue bonds, series 2003. The refunded bonds were called on September 1, 2013.

Notes to Financial Statements

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

Interest is payable semiannually on March 1 and September 1 at rates ranging from 2% to 3%. Principal is payable on September 1. Debt service is paid from the proceeds of the local government half-cent sales tax distributed by the State from the Local Government Half-Cent Sales Tax Clearing Fund. The approximate amount of the pledge is equal to the remaining principal and interest of \$5,276,972. During 2014, \$1,321,856 of half-cent sales tax revenue was recognized and \$586,248 was paid for debt service.

Aggregate maturities of the bonds are as follows:

Year ending September 30,	Principal	Interest	Total
2015	\$ 480,000	\$ 106,848	\$ 586,848
2016	490,000	97,248	587,248
2017	500,000	87,448	587,448
2018	505,000	77,448	582,448
2019	520,000	67,348	587,348
2020 - 2023	2,210,000	135,632	2,345,632
Total	\$ 4,705,000	\$ 571,972	\$ 5,276,972

Due to Other Governments – Medicaid Obligation

Pursuant to Florida House Bill 5301, the County incurred a liability during fiscal year 2012 for previously unpaid and disputed Medicaid billings from the State in the amount of \$596,083. The balance due will be deducted by the State from the County’s share of its revenue sharing proceeds. The balance as of September 30, 2014 will be paid in two annual payments of \$99,347 in fiscal years 2015 and 2016 and a final annual payment of \$82,790 in 2017.

Capital Lease

The Sheriff’s Office has an agreement with a financing corporation to purchase vehicles; payable in monthly installments of \$1,198 including interest of 5%. The aggregate historical cost of the vehicles is \$108,848.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, are as follows:

Year ending September 30,	Amount
2015	\$ 14,376
2016	10,782
	25,158
Less interest	(3,150)
	\$ 22,008

NOTE 9 – LONG-TERM LIABILITIES (CONTINUED)

Business–Type Long Term Liabilities

At September 30, 2014, the County’s business-type activities long-term liabilities consisted of:

Accrued landfill closure and long-term care costs	\$ 5,834,862
Compensated absences	67,000
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<u>Total business-type activities long-term liabilities</u>	<u>\$ 5,901,862</u>

Accrued Landfill Closure and Long–Term Care Costs

The Florida Department of Environmental Protection (“FDEP”) requires all landfill operators to fund landfill closure costs before receiving a permit for landfill closure.

The County accrues a portion of the estimated future closure cost of the currently operating landfills each year even though actual payouts will not occur until the landfills are closed. The amount recognized each year is based on the landfill capacity used as of the balance sheet date. At September 30, 2014, the County has accrued \$435,938 for such estimated costs for the Class III Landfill Trench 2. These closure costs have been accrued based on 31% of the landfill capacity used to date.

Additionally, FDEP requires landfill owners to perform certain maintenance and monitoring functions at the landfill sites for twenty or thirty years after closure. A portion of these costs is recognized each period during the life of the landfill. The County has accrued \$5,398,924 for such estimated long-term care costs as of September 30, 2014.

The remaining estimated liability for closure and post closure costs is approximately \$1,400,700 which will be recognized as the remaining capacity is used.

The estimated costs of closure and post-closure care are subject to changes such as the effects of inflation, revision of laws and other variables.

Additionally, FDEP requires that landfill owners escrow landfill post-closure maintenance costs in addition to closure costs, in an amount sufficient to cover the following year’s long-term care costs once the landfills are capped. The County has escrowed \$1,337,627 to cover FDEP’s landfill closure cost requirements as of September 30, 2014 and has escrowed \$1,237,474 for long-term care costs.

Notes to Financial Statements

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in governmental activities long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Bonds payable	\$ 5,175,000	\$ -	\$ 470,000	\$ 4,705,000	\$ 480,000
Bond premium	127,839	-	12,784	115,055	-
Other postemployment benefit obligation	815,202	253,115	78,000	990,317	-
Due to other governments - Medicaid obligation	380,831	-	99,347	281,484	99,347
Capital lease	-	109,848	87,840	22,008	10,138
Compensated absences	1,249,200	1,430,600	1,360,900	1,318,900	509,600
Total	\$ 7,748,072	\$ 1,793,563	\$ 2,108,871	\$ 7,432,764	\$ 1,099,085

A summary of changes in business-type activities long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Accrued landfill closure and long-term care costs	\$ 5,452,169	\$ 382,693	\$ -	\$ 5,834,862	\$ 173,518
Compensated absences	63,000	59,000	55,000	67,000	55,000
Total	\$ 5,515,169	\$ 441,693	\$ 55,000	\$ 5,901,862	\$ 228,518

NOTE 11 – PENSION PLAN

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

Funding Policy. The County is required to contribute at an actuarially determined rate. The rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. The County's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were \$2,082,000, \$1,522,000, and \$1,300,000, respectively, equal to the required contributions for each year.

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT PLANS***Board of County Commissioners' OPEB Plan***

Plan Description – The County administers a single employer defined benefit plan for postemployment benefits other than pension benefits (OPEB Plan). The OPEB Plan provides for medical insurance for retirees and eligible dependents of the Board of County Commissioners and all Constitutional Officers, except the Sheriff.

The County provides health care coverage through a PPO or HMO plan offered through Blue Cross Blue Shield of Florida and administered by Public Risk Management Trust.

Eligibility – Employees of the Board of County Commissioners, Clerk of Courts, Tax Collector, Property Appraiser and Supervisor of Elections are eligible at age 62 with 6 years of service, or with 30 years of service, regardless of age. Employees may retire early at age 43 and 6 years of service. Service-incurred disabled employees may retire immediately, while non-duty related disabled employees may retire upon completion of 8 years of service. Once a retiree waives coverage, he is not eligible to participate in the future. Surviving spouses of deceased retirees are eligible for COBRA insurance coverage for 36 months if they were covered prior to the retiree's death.

As of October 1, 2012, the date of the latest actuarial valuation, plan participation consisted of 255 active employees and 10 retirees receiving benefits. Of the active employees, approximately 234 are not yet eligible to receive benefits.

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

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Funding Policy – The contribution requirements of the plan members and the County are established and may be amended by the Levy County Board of County Commissioners. A trust has not been established. Contributions are being made based on pay-as-you-go financing requirements. Currently, non-Medicare retirees contribute the full active/retiree premiums. Medicare eligible retirees pay 100% of the “Medical Reduced Premium” rate, which is 25-30% less than the active participant’s premium rates.

Annual OPEB Cost and Net OPEB Obligation – The County elected to implement Statement No. 45 prospectively effective October 1, 2008. The net OPEB obligation was set to zero at transition. It is assumed that the payment of the liability will be covered entirely by the General Fund. The annual cost (expense) of the County’s OPEB Plan is calculated based on the Annual Required Contribution (“ARC”), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years. The following table shows the components of the County’s annual OPEB Plan cost for the year, the amount actually contributed by the employer, and the changes in the net OPEB obligation.

Annual required contribution	\$	239,000
Interest on net OPEB obligation		27,160
Adjustments to ARC		(43,000)
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Annual OPEB cost (expense)		223,160
Contributions made		55,000
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Increase in net OPEB obligation		168,160
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Net OPEB obligation - beginning of year		776,000
<hr/>		
Net OPEB obligation - end of year	\$	944,160
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Notes to Financial Statements

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Trend Information:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
9/30/2012	\$ 239,500	\$ 62,000	25.9%	\$ 608,302
9/30/2013	222,698	55,000	24.6%	776,000
9/30/2014	223,160	55,000	24.6%	944,160

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

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

The actuarial methods are:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	30 years - closed
Asset valuation method	N/A

The actuarial assumptions are:

Discount rate	4.5%
Projected annual salaries increase	N/A
Inflation rate	3.5%
Mortality	RP-2000 Table; gender-specific
Healthcare cost trend rate	9% reduced 0.5% each year until reaching ultimate trend rate of 5.0%.

Funded Status and Funding Progress – The OPEB contributions made for the 2014 fiscal year were 25% of the annual OPEB cost. As of the actuarial valuation report dated October 1, 2012, the actuarial value of assets was \$0, the actuarial accrued liability for benefits was \$1.959 million, the unfunded actuarial accrued liability (UAAL)

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

was also \$1.959 million, the funded ratio was 0%, the covered payroll was \$8,425,281, and the UAAL as a percentage of covered payroll was 23%.

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

Sheriff's Office Plan

The Office of the Sheriff administers a single employer defined benefit plan for post-employment benefits other than pension benefits (OPEB Plan). The OPEB Plan provides a health insurance subsidy for retirees and eligible dependents.

The Office provides health care coverage through a fully insured plan offered through Av-Med for retired employees of the Sheriff's Office. Substantially all employees may become eligible for those benefits if they reach normal retirement age while working for the Sheriff's Office and have provided six or more years of service.

As of October 1, 2011, the date of the latest actuarial valuation, plan participation consisted of 138 active employees and 8 retirees and dependents receiving benefits.

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

Funding Policy – The contribution requirements of the plan members and the Office are established and may be amended by the Levy County Sheriff. A trust has not been established. Contributions are being based on pay-as-you-go financing requirements.

Annual OPEB Cost and Net OPEB Obligation – The Office elected to implement Statement No. 45 prospectively effective October 1, 2008. The net OPEB obligation was set to zero at transition. The annual cost (expense) of the Office's OPEB Plan is calculated based on the Annual Required Contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 20 years. The following table shows the components of the Office's annual OPEB Plan cost for the year, the amount actually contributed by the employer, and the changes in the OPEB Plan obligation.

Notes to Financial Statements

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Annual required contribution	\$	31,000
Interest on net OPEB obligation		1,568
Adjustments to ARC		(2,613)
Annual OPEB cost (expense)		29,955
Contributions made		23,000
Increase in net OPEB obligation		6,955
Net OPEB obligation - beginning of year		39,202
Net OPEB obligation - end of year	\$	46,157

Trend Information:

Year Ended	Annual OPEB Cost	Actual Employer Contribution	Percentage Contributed	Net OPEB Obligation
9/30/2012	\$ 61,000	\$ 23,000	74.1%	\$ 31,920
9/30/2013	30,282	23,000	75.9%	39,202
9/30/2014	29,955	23,000	76.8%	46,157

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

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

The actuarial methods are:

Actuarial cost method	Projected unit credit
Amortization method	Level percent of projected payroll
Amortization period (open)	20 years; open-ended

Notes to Financial Statements

NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

The actuarial assumptions are:

Investment rate of return	4.0%
Projected annual salaries increase	N/A
Healthcare cost trend rate	10% reduced 0.5% each year until reaching ultimate trend rate of 5.0%
Mortality	2011 IRS PPA Funding Mortality Table

Funded Status and Funding Progress – The OPEB payments made for the 2014 fiscal year were 77% of the annual OPEB cost. As of the actuarial valuation report dated October 1, 2011, the actuarial value of assets was \$0, the actuarial accrued liability for benefits was \$244,000, the unfunded actuarial accrued liability (UAAL) was also \$244,000, the funded ratio was 0%, the covered payroll was \$5.6 million and the UAAL as a percentage of covered payroll was 4.4%.

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

NOTE 13 – RESTATEMENT

The County restated the beginning net position and fund balance of the governmental activities and aggregate remaining fund information, respectively, to recognize impact fee revenues which had been previously reported as unearned.

	Governmental Activities	Aggregate Remaining Fund Information
Net position/fund balance - beginning of year, as previously reported	\$ 100,368,612	\$ 6,465,446
Restatement	1,137,670	1,137,670
<u>Net position/fund balance - beginning of year, as restated</u>	<u>\$ 101,506,282</u>	<u>\$ 7,603,116</u>

NOTE 14 – RISK MANAGEMENT

Commercial Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. There were no significant reductions in insurance coverages from prior years. For the past three years, there have been no insurance settlements significantly in excess of insurance coverages.

Public Entity Risk Pool

For its health insurance, property, general liability and worker's compensation insurance, the County joined the Public Risk Management of Florida Insurance Trust (the "Trust"), a public entity risk pool currently operating as a common risk management and insurance program for several member governmental entities. The County pays an annual premium to the Trust for its coverage. The premiums are designed to fund the liability risks assumed by the Trust and are based on certain actual exposures of each member. Contributions also cover excess of loss reinsurance premiums.

The Sheriff participates in the Florida Sheriffs' self-insurance fund for risk related to professional police, automobile liability, and workers' compensation. Additionally, the Sheriff sponsors its own health insurance program for its employees. Aggregate coverage is two million dollars. The Sheriff had no settlements that exceeded coverage in the previous two fiscal years.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

The County is involved in various litigation matters arising from the normal operations of a local government. It is the opinion of legal counsel that none of those matters will have a material financial impact on the financial statements of the County.

NOTE 16 – FUTURE ACCOUNTING PRONOUNCEMENTS

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

- Accounting and financial reporting for pensions;
- Mergers, acquisitions and transfers of operations; and
- Fair value measurement and application.

The County is currently evaluating the effects that these statements will have on its financial statements for subsequent fiscal years.

Required Supplementary Information

Levy County, Florida

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 15,795,020	\$ 15,795,020	\$ 15,480,284	\$ (314,736)
Permits, fees and special assessments	178,500	178,500	232,587	54,087
Intergovernmental	3,396,203	3,759,551	4,098,632	339,081
Charges for services	1,640,822	1,640,822	1,712,541	71,719
Fines and forfeitures	4,000	4,000	5,828	1,828
Miscellaneous	332,642	334,745	383,522	48,777
Total revenues	21,347,187	21,712,638	21,913,394	200,756
Expenditures				
Current:				
General government	9,133,723	9,280,442	7,326,384	1,954,058
Public safety	12,516,044	12,818,717	11,742,804	1,075,913
Physical environment	539,492	565,224	561,361	3,863
Economic environment	243,535	245,250	242,687	2,563
Human services	1,791,724	1,819,517	1,786,180	33,337
Culture and recreation	702,867	755,749	669,597	86,152
Court related	206,054	461,893	351,876	110,017
Reserve for contingencies	1,841,336	2,226,336	-	2,226,336
Debt service:				
Principal	-	87,840	87,840	-
Interest	-	4,536	4,536	-
Total expenditures	26,974,775	28,265,504	22,773,265	5,492,239
Excess of revenues over (under) expenditures	(5,627,588)	(6,552,866)	(859,871)	5,692,995
Other financing sources (uses)				
Transfers in	3,443,341	3,504,069	3,382,987	(121,082)
Transfers out	(656,048)	(706,048)	(714,089)	(8,041)
Capital lease	-	110,000	109,848	(152)
Total other financing sources (uses)	2,787,293	2,908,021	2,778,746	(129,275)
Net change in fund balances	(2,840,295)	(3,644,845)	1,918,875	5,563,720
Fund balances – beginning of year	3,850,000	4,673,193	4,673,185	(8)
Fund balances – end of year	\$ 1,009,705	\$ 1,028,348	\$ 6,592,060	\$ 5,563,712

Notes 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 and adopted 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 – Road and Bridge Fund
 Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,245,000	\$ 1,245,000	\$ 1,188,462	\$ (56,538)
Permits, fees and special assessments	5,000	5,000	3,950	(1,050)
Intergovernmental	4,408,796	6,188,249	2,772,496	(3,415,753)
Miscellaneous	1,218,500	1,218,500	1,149,635	(68,865)
Total revenues	6,877,296	8,656,749	5,114,543	(3,542,206)
Expenditures				
Current:				
Transportation	8,433,431	9,971,465	5,707,127	4,264,338
Excess of revenues over (under) expenditures	(1,556,135)	(1,314,716)	(592,584)	722,132
Fund balances – beginning of year	1,900,000	1,747,554	1,747,554	-
Fund balances – end of year	\$ 343,865	\$ 432,838	\$ 1,154,970	\$ 722,132

Notes 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 and adopted 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 – EMS Fund
 Year ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Permits, fees and special assessments	\$2,642,910	\$2,642,910	\$ 2,610,908	\$ (32,002)
Intergovernmental revenue	6,989	48,171	49,597	1,426
Charges for services	1,976,700	1,976,700	1,836,206	(140,494)
Miscellaneous	1,500	1,500	47,083	45,583
Total revenues	4,628,099	4,669,281	4,543,794	(125,487)
Expenditures				
Current:				
Public safety	5,559,597	5,800,255	4,985,695	814,560
Excess of revenues over (under) expenditures	(931,498)	(1,130,974)	(441,901)	689,073
Other financing sources (uses)				
Transfers in	412,903	412,903	412,903	-
Net change in fund balances	(518,595)	(718,071)	(28,998)	689,073
Fund balances – beginning of year	750,000	951,535	962,044	10,509
Fund balances – end of year	\$ 231,405	\$ 233,464	\$ 933,046	\$ 699,582

Notes 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 and adopted on a basis that does not differ materially from generally accepted accounting principles (GAAP). Appropriations lapse at year-end.

Required Supplementary Information
Other Postemployment Benefits

Board of County Commissioners' Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as % of Covered Payroll (B-A)/C
10/1/2012	\$ -	\$ 1,959,000	\$ 1,959,000	-	\$ 8,425,281	23.3%
10/1/2010	-	2,225,000	2,225,000	-	9,554,383	23.3%
10/1/2008	-	1,377,813	1,377,813	-	10,033,127	13.7%

Schedule of Employer Contributions

Year Ended	Required Employer Contributions	Actual Employer Contributions	Percentage Contributed
9/30/2009	\$ 225,804	\$ 14,659	6.5%
9/30/2011	235,000	49,000	20.8%
9/30/2013	239,000	55,000	23.0%

Notes:

1. See Note 12 to the financial statements for detailed information on the Board's OPEB Plan.

Required Supplementary Information
Other Postemployment Benefits

Sheriff's Office Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets (A)	Actuarial Liability (AAL) Unit Cost (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percent of Covered Payroll (B-A)/C
10/1/2011	\$ -	\$ 244,000	\$ 244,000	0%	\$ 5,600,000	4.4%
10/1/2008	-	188,000	188,000	0%	6,000,000	3.1%

Schedule of Employer Contributions

Year Ended	Required Employer Contributions	Actual Contributions	Percentage Contributed
9/30/2009	\$ 22,000	\$ 14,000	63.6%
9/30/2012	31,000	23,000	74.2%

Notes:

1. The Sheriff elected to implement GASB Statement No. 45 effective October 1, 2008. Therefore, information for preceding valuations is not available.
2. See Note 12 to the financial statements for detailed information on the Sheriff's OPEB Plan.

Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

(continued)

	Special Revenue Funds						
	E911	Inter-Governmental Communications	Court Facilities	Drug Task Force	MSTU	Fire Control	SHIP
Assets							
Cash and equivalents	\$ 148,468	\$ 40,589	\$ 687,733	\$ 93,161	\$ 315,463	\$ 778,025	\$ 499,252
Investments	5,722	635	6,339	68	871	2,480	10,396
Due from other funds	8,040	1,797	7,857	1,391	212	12,853	-
Due from other governments	25,081	-	-	-	-	6	-
Receivables	8,441	-	-	-	-	-	22,410
Prepays	-	-	-	-	-	1,138	-
Total assets	\$ 195,752	\$ 43,021	\$ 701,929	\$ 94,620	\$ 316,546	\$ 794,502	\$ 532,058
Liabilities							
Accounts payable and accrued liabilities	\$ 14	\$ -	\$ 906	\$ 12,208	\$ -	\$ 222,229	\$ 23,113
Due to other funds	-	-	-	-	1,621	5,932	31,740
Due to other governments	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	14	-	906	12,208	1,621	228,161	54,853
Deferred inflows							
Unavailable revenue	-	-	-	-	-	-	22,410
Fund balances							
Nonspendable	-	-	-	-	-	1,138	-
Restricted	195,738	43,021	701,023	82,412	314,925	57,521	454,795
Assigned	-	-	-	-	-	507,682	-
Total fund balances	195,738	43,021	701,023	82,412	314,925	566,341	454,795
Total liabilities, deferred inflows and fund balances	\$ 195,752	\$ 43,021	\$ 701,929	\$ 94,620	\$ 316,546	\$ 794,502	\$ 532,058

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

(continued)

	Special Revenue Funds						
	Technology and Crime Prevention	Utilities	Progress Energy Grant	Judicial Grant	Tourist Develop- ment	Additional Court Costs	Public Trans- portation
Assets							
Cash and equivalents	\$ 5,392	\$ 72,237	\$ 3,477	\$ 1,327,622	\$ 173,962	\$ 83,650	\$ 690,112
Investments	2,961	-	-	564	470	-	5,802
Due from other funds	4,028	-	-	-	-	2,111	-
Due from other governments	-	-	-	-	13,381	-	109,997
Receivables	-	9,196	-	-	-	-	6,783
Prepays	-	-	-	-	160	-	-
Total assets	\$ 12,381	\$ 81,433	\$ 3,477	\$ 1,328,186	\$ 187,973	\$ 85,761	\$ 812,694
Liabilities							
Accounts payable and accrued liabilities	\$ 12,163	\$ 1,939	\$ 1,363	\$ -	\$ 7,119	\$ 7,220	\$ 21,062
Due to other funds	-	391	-	-	389	-	32,007
Due to other governments	-	-	-	-	-	-	-
Deposits	-	7,008	-	-	-	-	-
Unearned revenue	-	2,130	-	-	-	-	-
Total liabilities	12,163	11,468	1,363	-	7,508	7,220	53,069
Deferred inflows							
Unavailable revenue	-	-	-	-	-	-	53,981
Fund balances							
Nonspendable	-	-	-	-	160	-	-
Restricted	218	-	2,114	1,328,186	180,305	78,541	-
Assigned	-	69,965	-	-	-	-	705,644
Total fund balances	218	69,965	2,114	1,328,186	180,465	78,541	705,644
Total liabilities, deferred inflows and fund balances	\$ 12,381	\$ 81,433	\$ 3,477	\$ 1,328,186	\$ 187,973	\$ 85,761	\$ 812,694

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

(continued)

	Special Revenue Funds					
	Road Impact Fee Fund	EMS Impact Fee Fund	Parks Impact Fee Fund	Neighbor- hood Stabili- zation Fund	Community Redevelop- ment Block Grant	Public Records Moderization Trust Fund
Assets						
Cash and equivalents	\$1,034,104	\$ 59,181	\$169,302	\$ -	\$ -	\$ 496,771
Investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	2,467
Due from other governments	-	-	-	-	118,282	-
Receivables	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Total assets	\$1,034,104	\$ 59,181	\$169,302	\$ -	\$ 118,282	\$ 499,238
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 26,114	\$ -
Due to other funds	-	-	-	-	92,168	-
Due to other governments	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	118,282	-
Deferred inflows						
Unavailable revenue	-	-	-	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	1,034,104	59,181	169,302	-	-	499,238
Assigned	-	-	-	-	-	-
Total fund balances	1,034,104	59,181	169,302	-	-	499,238
Total liabilities, deferred inflows and fund balances	\$1,034,104	\$ 59,181	\$169,302	\$ -	\$ 118,282	\$ 499,238

Combining Balance Sheet – Nonmajor Governmental Funds
September 30, 2014

(concluded)

	Special Revenue Funds					Capital Projects Fund	Totals
	Title IV-D	Clerk's Fine and Forfeiture Fund	Sheriff Inmate Welfare	Sheriff Federal Forfeit- ures	Sheriff Donations Fund	Special Capital Improve- ments	
Assets							
Cash and equivalents	\$ 32,564	\$431,208	\$ 43,737	\$ 18,997	\$ 4,614	\$ 830,883	\$8,040,504
Investments	-	-	-	-	-	6,654	42,962
Due from other funds	-	-	-	-	-	-	40,756
Due from other governments	9,913	58	-	-	-	-	276,718
Receivables	-	-	-	-	-	9,889	56,719
Prepays	-	-	-	-	-	-	1,298
Total assets	\$ 42,477	\$431,266	\$ 43,737	\$ 18,997	\$ 4,614	\$ 847,426	\$8,458,957
Liabilities							
Accounts payable and accrued liabilities	\$ 417	\$404,948	\$ 3,247	\$ -	\$ -	\$ 1,211	\$ 745,273
Due to other funds	382	19,129	1,740	-	-	5,482	190,981
Due to other governments	-	7,189	-	-	-	-	7,189
Deposits	-	-	-	-	-	-	7,008
Unearned revenue	-	-	-	-	-	-	2,130
Total liabilities	799	431,266	4,987	-	-	6,693	952,581
Deferred inflows							
Unavailable revenue	-	-	-	-	-	-	76,391
Fund balances							
Nonspendable	-	-	-	-	-	-	1,298
Restricted	41,678	-	-	18,997	4,614	-	5,265,913
Assigned	-	-	38,750	-	-	840,733	2,162,774
Total fund balances	41,678	-	38,750	18,997	4,614	840,733	7,429,985
Total liabilities, deferred inflows and fund balances	\$ 42,477	\$431,266	\$ 43,737	\$ 18,997	\$ 4,614	\$ 847,426	\$8,458,957

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

(continued)

	Special Revenue Funds						
	E911	Inter-Governmental Communications	Court Facilities	Drug Task Force	MSTU	Fire Control	SHIP
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	-	-	-	-	287,709	1,730,903	-
Intergovernmental revenue	223,358	-	-	-	-	5,990	350,000
Charges for services	-	-	90,687	-	-	-	-
Fines and forfeitures	-	21,370	-	17,026	-	-	-
Miscellaneous revenue	8,251	(18)	604	14,219	-	17,054	3,691
Total revenues	231,609	21,352	91,291	31,245	287,709	1,753,947	353,691
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	32,014	26,005	-	99,545	-	1,605,412	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	151,858	-	-
Economic environment	-	-	-	-	-	-	375,443
Culture and recreation	-	-	-	-	-	-	-
Court costs	-	-	24,479	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	32,014	26,005	24,479	99,545	151,858	1,605,412	375,443
Excess of revenues over (under) expenditures	199,595	(4,653)	66,812	(68,300)	135,851	148,535	(21,752)
Other financing sources (uses)							
Transfers in	8,041	-	-	-	-	193,145	-
Transfers out	(132,987)	-	-	-	-	(200,000)	-
Total other financing sources (uses)	(124,946)	-	-	-	-	(6,855)	-
Net change in fund balances	74,649	(4,653)	66,812	(68,300)	135,851	141,680	(21,752)
Fund balances – beginning of year, as restated	121,089	47,674	634,211	150,712	179,074	424,661	476,547
Fund balances – end of year	\$ 195,738	\$ 43,021	\$ 701,023	\$ 82,412	\$ 314,925	\$ 566,341	\$ 454,795

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

(continued)

	Special Revenue Funds						
	Technology and Crime Prevention	Utilities	Progress Energy Grant	Judicial Grant	Tourist Development	Additional Court Costs	Public Transportation
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 171,836	\$ -	\$ -
Permits, fees and special assessments	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	-	685,187
Charges for services	47,052	67,258	-	-	-	28,180	449,821
Fines and forfeitures	-	-	-	-	-	-	-
Miscellaneous revenue	(39)	22	120,328	1,956	215	-	68,262
Total revenues	47,013	67,280	120,328	1,956	172,051	28,180	1,203,270
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	118,214	-	-	-	-
Physical environment	-	119,020	-	-	-	-	-
Transportation	-	-	-	-	-	-	1,611,908
Economic environment	-	-	-	-	175,811	-	-
Culture and recreation	-	-	-	-	-	-	-
Court costs	47,675	-	-	-	-	25,870	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	47,675	119,020	118,214	-	175,811	25,870	1,611,908
Excess of revenues over (under) expenditures	(662)	(51,740)	2,114	1,956	(3,760)	2,310	(408,638)
Other financing sources (uses)							
Transfers in	-	100,000	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	100,000	-	-	-	-	-
Net change in fund balances	(662)	48,260	2,114	1,956	(3,760)	2,310	(408,638)
Fund balances – beginning of year, as restated	880	21,705	-	1,326,230	184,225	76,231	1,114,282
Fund balances – end of year	\$ 218	\$ 69,965	\$ 2,114	\$ 1,328,186	\$ 180,465	\$ 78,541	\$ 705,644

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

(continued)

	Special Revenue Funds					
	Road Impact Fee Fund	EMS Impact Fee Fund	Parks Impact Fee Fund	Neighborhood Stabilization Program	Community Redevelopment Block Grant	Public Records Modernization Trust Fund
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permits, fees and special assessments	91,933	4,585	12,618	-	-	-
Intergovernmental revenue	-	-	-	95,806	118,282	-
Charges for services	-	-	-	-	-	59,780
Fines and forfeitures	-	-	-	-	-	29,691
Miscellaneous revenue	1,471	85	262	-	-	711
Total revenues	93,404	4,670	12,880	95,806	118,282	90,182
Expenditures						
Current:						
General government	-	-	-	-	-	23,945
Public safety	-	1,182	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	4,125	-	-	-	-	-
Economic environment	-	-	-	-	113,212	-
Culture and recreation	-	-	27,224	-	-	-
Court costs	-	-	-	-	-	28,494
Capital outlay	-	-	-	-	-	-
Total expenditures	4,125	1,182	27,224	-	113,212	52,439
Excess of revenues over (under) expenditures	89,279	3,488	(14,344)	95,806	5,070	37,743
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	89,279	3,488	(14,344)	95,806	5,070	37,743
Fund balances – beginning of year, as restated	944,825	55,693	183,646	(95,806)	(5,070)	461,495
Fund balances – end of year	\$1,034,104	\$59,181	\$ 169,302	\$ -	\$ -	\$ 499,238

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

(concluded)							
	Special Revenue Funds					Capital Projects Fund	Totals
	Title IV-D	Clerk's Fine and Forfeiture Fund	Sheriff Inmate Welfare Fund	Sheriff Federal Forfeit- ures	Sheriff Donations Fund	Special Capital Improve- ments	
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,836
Permits, fees and special assessments	-	-	-	-	-	-	2,127,748
Intergovernmental revenue	62,761	325,027	-	-	-	18,534	1,884,945
Charges for services	-	466,408	79,064	-	-	-	1,288,250
Fines and forfeitures	-	119,620	-	131,551	-	-	319,258
Miscellaneous revenue	-	4,747	781	33	708	149,091	392,434
Total revenues	62,761	915,802	79,845	131,584	708	167,625	6,184,471
Expenditures							
Current:							
General government	-	-	-	-	-	-	23,945
Public safety	-	-	86,868	123,279	-	-	2,092,519
Physical environment	-	-	-	-	-	-	119,020
Transportation	-	-	-	-	-	-	1,767,891
Economic environment	-	-	-	-	-	-	664,466
Culture and recreation	-	-	-	-	-	-	27,224
Court costs	21,083	921,802	-	-	-	-	1,069,403
Capital outlay	-	-	-	-	-	761,333	761,333
Total expenditures	21,083	921,802	86,868	123,279	-	761,333	6,525,801
Excess of revenues over (under) expenditures	41,678	(6,000)	(7,023)	8,305	708	(593,708)	(341,330)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	200,000	501,186
Transfers out	-	-	-	-	-	-	(332,987)
Total other financing sources (uses)	-	-	-	-	-	200,000	168,199
Net change in fund balances	41,678	(6,000)	(7,023)	8,305	708	(393,708)	(173,131)
Fund balances – beginning of year, as restated	-	6,000	45,773	10,692	3,906	1,234,441	7,603,116
Fund balances – end of year	\$ 41,678	\$ -	\$ 38,750	\$ 18,997	\$ 4,614	\$ 840,733	\$ 7,429,985

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

	Clerk of the Circuit Court	Sheriff	Tax Collector	Totals
Assets				
Cash and equivalents	\$ 609,563	\$ 7,360	\$ 1,258,661	\$ 1,875,584
Receivables	1,594	-	1,463	3,057
Total assets	611,157	7,360	1,260,124	1,878,641
Liabilities				
Assets held for others	611,157	7,360	1,260,124	1,878,641
Net position	\$ -	\$ -	\$ -	\$ -

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2014

Federal Grantor/ Pass Through Agency/ Program Title	CFDA Number	Contract/ Grant Number	Expendi- tures	Program Totals
Department of Agriculture and Consumer Services				
Passed Through State Forestry Service:				
Volunteer Fire Assistance - Fowler's Bluff	10.664	N/A	\$ 1,089	
Volunteer Fire Assistance - Rosewood	10.664	N/A	1,089	
Volunteer Fire Assistance - Morriston	10.664	N/A	1,089	
Volunteer Fire Assistance - Yankeetown	10.664	N/A	1,093	
Volunteer Fire Assistance - Rosewood	10.664	N/A	5,990	10,350
Department of Housing and Urban Development				
Passed Through Department of Economic Opportunity:				
Community Development Block Grant	14.228	11DB-C5-05-48-01-H-05	113,212	
Department of Justice				
Direct:				
Equitable Sharing Proceeds	16.922	N/A	123,279	
Passed Through Office of the Attorney General:				
VOCA	16.575	V13022	33,506	
Passed Through State Department of Law Enforcement:				
Byrne Memorial Justice Assistance - Anti-Drug Grant	16.738	2012-JAGC-LEVY-1-C4-217	75,507	
Byrne Memorial Justice Assistance - Anti-Drug Grant	16.738	2014-JAGC-LEVY-1-E5-239	49,270	
Byrne Memorial Justice Assistance - Anti-Drug Grant	16.738	2014-JAGC-LEVY-3-C4-255	254,060	
Byrne Memorial Justice Assistance - Anti-Drug Grant	16.738	2014-JAGC-LEVY-2-D7-254	45,940	424,777
Department of Transportation				
Passed Through State Department of Transportation:				
(Section 5311) - Formula Grants for Other than Urbanized Areas	20.509	AR897	149,174	
(Section 5310) - Capital Assistance Program for Elderly Persons and Persons with Disabilities (Noncash Assistance)	20.513	NOGA	17,895	
(Section 5316) - Job Access - Reverse Commute - Operating	20.516	ARB23	24,882	
(Section 5317) - New Freedom Program	20.521	ARA91	58,426	
(Section 5317) - New Freedom Program	20.521	ARA92	34,152	
(Section 5317) - New Freedom Program	20.521	AQP18	26,929	
Transit Services Program Cluster				162,284
Department of State				
Passed Through Department of State:				
Help America Vote Act	90.401	MOA 2013-2014-0001-R	4,198	
Department of Health and Human Services				
Passed Through Department of Revenue:				
Child Support Enforcement Title IV - D	93.563	CD-338	62,761	
Passed Through Department of State				
Polling Place Accessibility	93.617	MOA 2014-2015-0002-LEV	10,808	
Polling Place Accessibility	93.617	MOA 2013-2014-003	1,871	12,679
Department of Homeland Security				
Passed Through Department of Economic Opportunity				
Emergency Management Performance Grant	97.042	14-FG-1M-05-48-01-105	49,493	
Homeland Security Grant	97.067	12-DS-20-05-48-01-413	6,670	
Homeland Security Grant	97.067	13-DS-97-05-48-01-377	9,875	16,545
Total expenditures of federal awards			\$ 1,162,258	

(Continued)

Schedule of Expenditures of Federal Awards and State Financial Assistance
Year ended September 30, 2014

State Agency/Project Title	CSFA Number	Contract/ Grant Number	Expenditures	Project Totals
Executive Office of the Governor				
Emergency Management Programs	31.063	14-BG-83-09-48-01-038	\$ 78,043	
Emergency Management Programs	31.063	15-BG-83-09-48-01-038	25,290	103,333
Department of Environmental Protection				
Small County Consolidated Grants	37.012	421SC	90,909	
Department of Agriculture and Consumer Services				
Bureau of Entomology and Pest Control				
Mosquito Control State Aid	42.003	LEVY	27,780	
Department of State, Secretary of State				
State Aid to Libraries	45.030	14-ST-52	108,307	
State Aid to Libraries	45.030	13-ST-52	3,162	111,469
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program	52.901	2011-2012	47,792	
State Housing Initiatives Partnership Program	52.901	2012-2013	34,531	
State Housing Initiatives Partnership Program	52.901	2013-2014	293,120	375,443
Department of Transportation				
Commission for the Transportation Disadvantaged (CTD)				
Trip/Equipment Grant	55.001	AR193	271,098	
Trip/Equipment Grant	55.001	ARG11	91,198	
Trip/Equipment Grant	55.001	AR781	63,596	425,892
Aviation Development Grants	55.004	AQW06	23,677	
Aviation Development Grants	55.004	AR473	143,299	166,976
Small County Outlay Program	55.009	AR517	64,857	
Small County Road Assistance Program	55.016	ARB14	8,080	
Department of Health				
Emergency Medical Services	64.003	M3018	39,123	
Emergency Medical Services	64.003	M2026	3,206	42,329
Emergency Medical Services County Grant	64.005	C2038	4,740	
Department of Management Services				
Enhanced 911 Emergency Telephone System	72.001	13-4-15	25,585	
Enhanced 911 Emergency Telephone System	72.001	14-4-17	6,429	32,014
Total expenditures of state financial assistance			\$ 1,453,822	

The accompanying notes are an integral part of this schedule.

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

NOTE 1 – BASIS OF PRESENTATION

In the accompanying schedule of expenditures of federal awards and state financial assistance, expenditures generally represent allowable costs, determined in accordance with generally accepted accounting principles, using the modified accrual basis of accounting.

NOTE 2 – USE OF ESTIMATES

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

NOTE 3 – SUBRECIPIENTS

The County did not provide federal or state awards to subrecipients.

Additional Elements Required by the
Rules of the Auditor General

MANAGEMENT LETTER

The Honorable County Commissioners
Levy County, Florida

We have audited the financial statements of Levy County, Florida (the "County"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated June 08, 2015.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the Schedule of Findings and Questioned Costs that accompanies this letter.

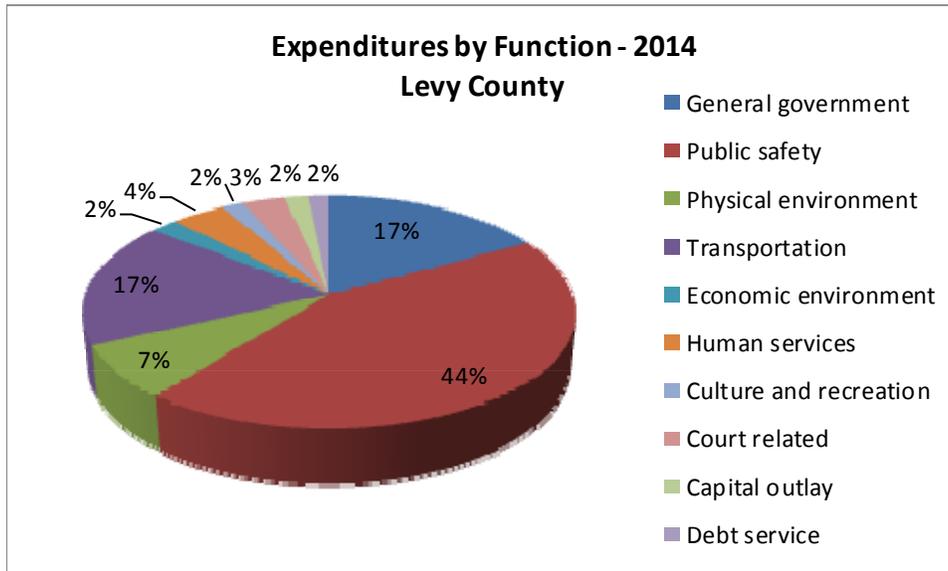
Financial Condition

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

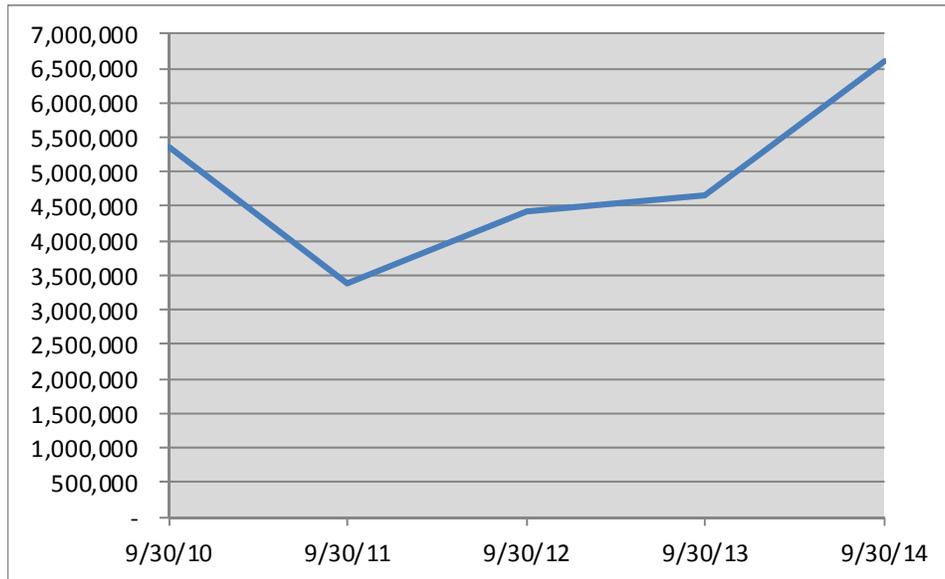
Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.556(8). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.554.

The following tabulation represents the County's expenditures.

<u>Expenditure/Expense</u> Category	2014 Amount	<u>% of Total Expenditures</u>		
		2014	2013	2012
General government	\$ 7,351,829	17.1%	15.8%	16.9%
Public safety	18,821,018	43.6%	42.7%	43.1%
Physical environment	3,162,494	7.3%	6.9%	7.3%
Transportation	7,475,018	17.4%	18.5%	20.1%
Economic environment	907,153	2.1%	5.5%	1.8%
Human services	1,786,180	4.2%	4.2%	3.4%
Culture and recreation	696,821	1.6%	1.4%	1.5%
Court related	1,421,279	3.3%	3.6%	4.1%
Capital outlay	761,333	1.8%	0.0%	0.0%
Debt service	678,624	1.6%	1.4%	1.8%
Total	\$43,061,749			



Additionally, the following graph represents a five-year trend in fund balances of the General Fund.



Total fund balance increased approximately 41% in the last year. As of September 30, 2014, the total fund balance was \$6,592,060, which is approximately 29% of recurring expenditures and transfers to Officers.

Annual Financial Report

As required by the Rules of the Auditor General, we determined that the annual financial report for the County for the fiscal year ended September 30, 2014, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in substantial agreement with the audit report for the fiscal year ended September 30, 2014.

Other Matters

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

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

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

Carri Riggs & Ingram, L.L.C.

Gainesville, Florida
June 08, 2015

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

The Honorable County Commissioners
Levy County, Florida

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

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

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

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

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

Gainesville, Florida
June 08, 2015

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

The Honorable County Commissioners
Levy County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Levy County, Florida (the "County"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 08, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Finding

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

Purpose of this Report

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

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

Gainesville, Florida
June 08, 2015

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

The Honorable County Commissioners
Levy County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of Levy County, Florida (the "County") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on the County's major federal program and each of its major state projects for the year ended September 30, 2014. The County's major federal program and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program and each of its 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and State Project

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002 that we consider to be a significant deficiency.

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

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

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

Gainesville, Florida
June 08, 2015

Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITOR’S RESULTS

- (i) The independent auditor’s report on the financial statements expressed an unmodified opinion.
- (ii) The audit reported a significant deficiency in internal control over financial reporting that was not considered to be a material weakness.
- (iii) The audit did not disclose noncompliance considered material to the financial statements.
- (iv) The audit reported a significant deficiency in internal control over a major federal program. The deficiency was not considered to be a material weakness.
- (v) The report on compliance with requirements applicable to the major federal program and each state project expressed an unmodified opinion.
- (vi) The audit disclosed a finding relative to a major federal program as described in (iv), above.
- (vii) The County’s major program/projects were:

<u>FEDERAL PROGRAM</u>	<u>CFDA Number</u>
Edward Byrne Memorial JAG	16.738
<u>STATE PROJECTS</u>	<u>CSFA Number</u>
State Housing Initiatives Partnership	52.901
Trip/Equipment Grant	55.001

- (viii) A threshold of \$300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 for federal programs, and \$300,000 was used for state projects.
- (ix) The County qualified as a low-risk auditee as that term is defined in OMB Circular A-133.

Schedule of Findings and Questioned Costs

SECTION II – FINANCIAL STATEMENT FINDINGS

2014-001 (Reported in previous audit reports as items 2013-001 and 12-1.)

Condition – As part of the audit process, it was necessary for us to assist with the preparation of your financial statements.

Recommendation – We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.

SECTION III – FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

Questioned
Costs

CFDA 16.738

2014-002 **Condition** – The County's Edward Byrne Memorial (Drug Task Force) Grant is administered by the Levy County Sheriff's Office. The internal controls over this program were not sufficient to ensure that payroll transactions charged to the grant were appropriately authorized. We determined through additional audit procedures that the unauthorized charges were allowed under the terms of the grant and, therefore, no questioned costs have been reported.

- -

Recommendation – Internal controls should be developed such that all charges to the County's federal programs are appropriately authorized.

SECTION IV – FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

There were no findings relative to state projects.

Summary Schedule of Prior Audit Findings
(Relative to Federal Awards and State Projects)

2013-002 **CSFA 55.001**

Condition – The County’s Transit Department is proactive and effective in securing federal and state funding for providing services to the County’s disadvantaged. The department has during the year, several overlapping and concurrent grants for operations. We noted during the audit that multiple methods are currently used to capture the costs claimed for reimbursement. Consequently, it is difficult during the audit process to ensure that costs charged to one grant have not been charged to another and that the costs are reasonable and allocable to a particular grant.

Recommendation – The County obtained the services of a consultant during the year ended September 30, 2013, to develop a method of allocating costs among its various transit grants; however, the County did not receive the results of the study until after year-end and consequently, the allocation plan was not implemented as of September 30, 2013.

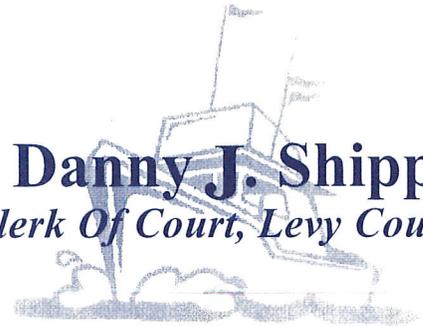
Current Status – Resolved.



355 South Court Street • Bronson, Florida 32621-6520

Phone: (352) 486-5266

Danny J. Shipp
Clerk Of Court, Levy County



June 8, 2015

Honorable David Martin
State of Florida
Office of the Auditor General
Tallahassee, FL 32201

Dear Mr. Martin:

In accordance with the Laws of Florida, I respectfully submit the following response to the audit findings for the Levy County Board of County Commissioners for fiscal year 2013-2014 as prepared by our auditors Carr, Riggs and Ingram, LLC.

- 2014-001 Again, after evaluating the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, we have determined that it is in the best interest to outsource this task to our independent auditors.
- 2014-002 We have communicated with the Sheriff and he has assured us that policies and procedures are in place for documenting approvals of allowable costs and activities in grant transactions.

Sincerely,

A handwritten signature in blue ink that reads "Danny J. Shipp".

Danny J. Shipp
Clerk of Courts

Levy County
Clerk of the Circuit Court

Audit Report

September 30, 2014

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Levy County Clerk of the Circuit Court

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September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Danny J. Shipp
Clerk of the Circuit Court
Levy County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Car, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 14, 2015

Levy County Clerk of the Circuit Court

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund	Fine and Forfeiture Fund	Records Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and equivalents	\$ 11,359	\$ 430,219	\$ 491,611	\$ 32,564	\$ 965,753
Due from other funds	12,046	989	7,627	-	20,662
Due from other governments	876	58	-	9,913	10,847
Due from other county agencies	585	-	-	-	585
Accounts receivable	101	-	-	-	101
Total assets	\$ 24,967	\$ 431,266	\$ 499,238	\$ 42,477	\$ 997,948
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 21,611	\$ 404,948	\$ -	\$ 417	\$ 426,976
Due to other funds	-	3,146	-	382	3,528
Due to other county agencies	3,356	15,983	-	-	19,339
Deposits	-	7,189	-	-	7,189
Total liabilities	24,967	431,266	-	799	457,032
Fund balances:					
Restricted	-	-	499,238	-	499,238
Assigned	-	-	-	41,678	41,678
Total fund balances	-	-	499,238	41,678	540,916
Total liabilities and fund balances	\$ 24,967	\$ 431,266	\$ 499,238	\$ 42,477	\$ 997,948

See accompanying notes.

Levy County Clerk of the Circuit Court

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

	General Fund	Fine and Forfeiture Fund	Records Modernization Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Intergovernmental revenues	\$ -	\$ 579,344	\$ -	\$ 62,761	\$ 642,105
Charges for services	154,225	466,408	59,780	-	680,413
Fines and forfeitures	-	119,620	29,691	-	149,311
Miscellaneous revenue	950	4,747	711	-	6,408
Total revenues	155,175	1,170,119	90,182	62,761	1,478,237
Expenditures					
Current:					
General government services	783,880	-	23,945	-	807,825
Court related	9,754	921,802	28,494	21,083	981,133
Total expenditures	793,634	921,802	52,439	21,083	1,788,958
Excess of revenues over (under) expenditures	(638,459)	248,317	37,743	41,678	(310,721)
Other financing sources (uses)					
Appropriation from board of county commissioners	641,565	-	-	-	641,565
Reversion to board of county commissioners	(3,106)	-	-	-	(3,106)
Reversion to clerks of court operations corporation	-	(254,317)	-	-	(254,317)
Total other financing sources (uses)	638,459	(254,317)	-	-	384,142
Net change in fund balances	-	(6,000)	37,743	41,678	73,421
Fund balances - October 1, 2013	-	6,000	461,495	-	467,495
Fund balances - September 30, 2014	\$ -	\$ -	\$ 499,238	\$ 41,678	\$ 540,916

See accompanying notes.

Levy County Clerk of the Circuit Court

Statement of Fiduciary Net Position
September 30, 2014

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 630,685
Accounts receivable	1,594
<hr/>	
Total assets	632,279
<hr/>	
Liabilities	
Assets held for others	611,157
Due to other funds	17,134
Due to other county agencies	3,988
<hr/>	
Total liabilities	632,279
<hr/>	
Net position	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental funds:

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

Fine and Forfeiture Fund – This fund is used to account for fines, court costs, filing fees and service charges mandated by Florida Statutes for court-related expenditures.

Records Modernization Trust – This fund is used to account for fees and fines collected and associated expenditures related to the upgrade and modernization of the official records of the County, for court technology improvements required for the State Court System, and other court-related purposes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Office also reports the following funds:

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

Fund Balance

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

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

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

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

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

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

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

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

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.

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

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

Capital Assets and Long-Term Liabilities

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

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

Cash and Equivalents

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in State Pool

The Office invests surplus funds in the State Board of Administration’s Local Government Surplus Funds Trust Fund (“State Pool”). The State Pool is administered by the Florida State Board of Administration (“SBA”), who provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool.

The Florida PRIME is an external investment pool that has adopted operating procedures consistent with the Securities and Exchange Commission’s investment requirements for a “2a7-like” fund and the fair value of the position in the pool is equal to the value of the pool shares. The Office’s investment in the Florida PRIME is reported at amortized cost. The Florida PRIME is rated by Standard and Poor’s and has a rating at September 30, 2014 of AAAm. The weighted average maturity (WAM) of the Florida PRIME at September 30, 2014 was 39 days. Investments of \$5,032 are classified as “Equity in Pooled Cash and Equivalents” in the accompanying financial statements.

Florida “PRIME” was not exposed to any foreign currency risk during the period October 1, 2013 through September 30, 2014.

Use of Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

	Records Modernization Fund	Other Governmental Funds	Total
Restricted for:			
Court operations	\$ 71,693	\$ -	\$ 71,693
Court technology	275,044	-	275,044
Records modernization	152,501	-	152,501
Assigned for Title IV D	-	41,678	41,678
Total fund balances	\$ 499,238	\$ 41,678	\$ 540,916

NOTE 3 – INTERFUND BALANCES

At September 30, 2014, interfund balances consisted of:

Due From	Due To			Totals
	General Fund	Fine and Forfeiture Fund	Records Modernization Trust Fund	
Fine and forfeiture fund	\$ 679	\$ -	\$ 2,467	\$ 3,146
Other governmental funds	382	-	-	382
Agency funds:				
Domestic relations	-	989	-	989
General trust	10,985	-	5,160	16,145
Totals	\$ 12,046	\$ 989	\$ 7,627	\$ 20,662

NOTE 4 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$102,000	\$94,000	\$ 85,000	\$ 111,000	\$46,000

NOTE 5 – PENSION PLAN

Plan Description. The Office contributes to the Florida Retirement System (the "System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121,

Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315, or by calling (850) 488-6491.

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$127,000, \$77,000, and \$60,000, respectively, equal to the required contributions for each year.

NOTE 6 – RISK MANAGEMENT

The Levy County Board of County Commissioners purchases commercial insurance to manage risk related to workers' compensation and health insurance. The Office is covered under this policy and pays its share of premiums to the Board.

Required Supplementary Information

Levy County Clerk of the Circuit Court

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 72,000	\$ 45,145	\$ -	\$ (45,145)
Charges for services	156,121	156,121	154,225	(1,896)
Miscellaneous revenue	13,484	13,484	950	(12,534)
Total revenues	241,605	214,750	155,175	(59,575)
Expenditures				
Current:				
General government services	835,710	808,855	783,880	24,975
Court related	47,460	47,460	9,754	37,706
Total expenditures	883,170	856,315	793,634	62,681
Excess of revenues over (under) expenditures	(641,565)	(641,565)	(638,459)	3,106
Other financing sources (uses)				
Appropriation from board of county commissioners	641,565	641,565	641,565	-
Reversion to board of county commissioners	-	-	(3,106)	(3,106)
Total other financing sources (uses)	641,565	641,565	638,459	(3,106)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2013	-	-	-	-
Fund balances - September 30, 2014	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Levy County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Fine and Forfeiture Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 585,344	\$ 579,344	\$ 579,344	\$ -
Charges for services	350,075	350,075	466,408	116,333
Fines and forfeitures	108,669	108,669	119,620	10,951
Miscellaneous revenue	4,856	4,856	4,747	(109)
Total revenues	1,048,944	1,042,944	1,170,119	127,175
Expenditures				
Current:				
Court related	1,048,944	1,048,944	921,802	127,142
Excess of revenues over (under) expenditures	-	(6,000)	248,317	254,317
Other financing uses				
Reversion to clerks of court operations corporation	-	-	(254,317)	(254,317)
Net change in fund balances	-	(6,000)	(6,000)	-
Fund balances - October 1, 2013	-	6,000	6,000	-
Fund balances - September 30, 2014	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Levy County Clerk of the Circuit Court

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual – Records Modernization Trust Fund
Year ended September 30, 2014

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 61,000	\$ 61,000	\$ 59,780	\$ (1,220)
Fines and forfeitures	38,800	38,800	29,691	(9,109)
Miscellaneous revenue	700	700	711	11
Total revenues	100,500	100,500	90,182	(10,318)
Expenditures				
Current:				
General government services	101,500	101,500	23,945	77,555
Court related	210,185	210,185	28,494	181,691
Total expenditures	311,685	311,685	52,439	259,246
Excess of revenues over (under) expenditures	(211,185)	(211,185)	37,743	248,928
Fund balances - October 1, 2013	211,185	211,185	461,495	250,310
Fund balances - September 30, 2014	\$ -	\$ -	\$499,238	\$ 499,238

Notes to Schedule:

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

Supplementary Information

Levy County Clerk of the Circuit Court

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

	Domestic Relations Fund	Registry of the Court	General Trust Fund	Jury and Witness Fund	Cash Bond Fund	Total Agency Funds
Assets						
Cash and equivalents	\$ 1,128	\$ 464,903	\$144,846	\$ 7,093	\$ 12,715	\$ 630,685
Accounts receivable	-	-	1,594	-	-	1,594
Total assets	1,128	464,903	146,440	7,093	12,715	632,279
Liabilities						
Assets held for others	139	464,903	126,307	7,093	12,715	611,157
Due to other funds	989	-	16,145	-	-	17,134
Due to other county agencies	-	-	3,988	-	-	3,988
Total liabilities	1,128	464,903	146,440	7,093	12,715	632,279
Net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Danny J. Shipp
Clerk of the Circuit Court
Levy County, Florida

We have audited the financial statements of the office of the Levy County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated May 14, 2015. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the schedule of findings that accompanies this letter.

Other Matters

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

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

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

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

Gainesville, Florida
May 14, 2015

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

The Honorable Danny J. Shipp
Clerk of the Circuit Court
Levy County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the office of the Levy County Clerk of the Circuit Court (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 14, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings as item 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

The Office's Response to Findings

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

Purpose of this Report

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

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

Gainesville, Florida
May 14, 2015

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

The Honorable Danny J. Shipp
Clerk of the Circuit Court
Levy County, Florida

We have examined the office of the Levy County Clerk of Court's (the "Office") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

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

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

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

Gainesville, Florida
May 14, 2015

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

The Honorable Danny J. Shipp
Clerk of the Circuit Court
Levy County, Florida

We have examined the office of the Levy County Clerk of Court's (the "Office") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2014. Management is responsible for the Office's compliance with those requirements. Our responsibility is to express an opinion on the Office's compliance based on our examination.

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

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

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

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

Gainesville, Florida
May 14, 2015

Levy County Clerk of the Circuit Court

Schedule of Findings

2014-001 (Reported in the preceding audit reports as findings 2013-001 and 12-1.)

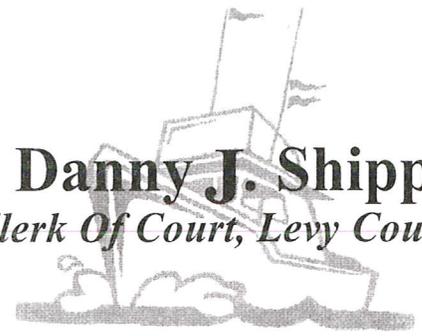
Condition – As part of the audit process, it was necessary for us to assist with the preparation of your financial statements.

Recommendation – We recommend that you consider and evaluate the costs and benefits of improving internal controls relative to the financial reporting process.



P.O. Drawer 610 355 South Court Street
Bronson, Florida 32621-0610 • Phone: (352) 486-5266

Danny J. Shipp
Clerk Of Court, Levy County



May 14, 2015

Honorable David Martin
State of Florida
Office of the Auditor General
Tallahassee, Fl 32201

Dear Mr. Martin,

Pursuant to the Laws of Florida, the following is a response to the audit finding, for the Levy County Clerk of Court, for the 13-14 Fiscal Year audited by Carr, Riggs and Ingram, LLC.

201~~4~~-1 Condition - As part of the audit process, it was necessary for us to assist with the preparation of your financial statements.

Response - We have determined, the cost of preparing the financial statements in house would exceed the cost of our external auditors performing this task.

Sincerely,

A handwritten signature in blue ink that reads "Danny J. Shipp".

Danny J. Shipp,
Levy County Clerk of Court
DJS/am

Levy County Sheriff

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Robert B. McCallum
Sheriff
Levy County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Levy County Sheriff (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
June 11, 2015

Levy County Sheriff

Balance Sheet – Governmental Funds
September 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and equivalents	\$ 444,630	\$ 67,213	\$ 511,843
Due from other funds	-	135	135
Due from other county agencies	8,495	-	8,495
Due from other governments	10,196	-	10,196
Accounts receivable	60,519	-	60,519
Total assets	\$ 523,840	\$ 67,348	\$ 591,188
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 513,233	\$ 3,247	\$ 516,480
Due to other county agencies	10,607	1,740	12,347
Total liabilities	523,840	4,987	528,827
Fund balances:			
Restricted:			
Federal shared funds	-	18,997	18,997
Charitable purposes	-	4,614	4,614
Assigned:			
Benefit of inmates	-	38,750	38,750
Total fund balances	-	62,361	62,361
Total liabilities and fund balances	\$ 523,840	\$ 67,348	\$ 591,188

See accompanying notes.

Levy County Sheriff

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

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Charges for services	\$ 276,000	\$ 79,064	\$ 355,064
Fines and forfeitures	-	131,551	131,551
Miscellaneous revenue	-	1,522	1,522
Total revenues	276,000	212,137	488,137
Expenditures			
Current:			
Public safety	10,297,867	210,147	10,508,014
Court related	187,568	-	187,568
Debt Service:			
Principal	87,840	-	87,840
Interest	4,536	-	4,536
Total expenditures	10,577,811	210,147	10,787,958
Excess of revenues over (under) expenditures	(10,301,811)	1,990	(10,299,821)
Other financing sources (uses)			
Appropriation from board of county commissioners	10,200,695	-	10,200,695
Issuance of capital lease	109,848	-	109,848
Reversion to board of county commissioners	(8,732)	-	(8,732)
Total other financing sources (uses)	10,301,811	-	10,301,811
Net change in fund balances	-	1,990	1,990
Fund balances - beginning of year	-	60,371	60,371
Fund balances - end of year	\$ -	\$ 62,361	\$ 62,361

See accompanying notes.

Levy County Sheriff

Statement of Fiduciary Net Position
September 30, 2014

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 17,989
<hr/>	
Liabilities	
Assets held for others	7,360
Due to other funds	135
Due to other county agencies	10,494
<hr/>	
Total liabilities	17,989
<hr/>	
Net position	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

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

The Office defines capital assets as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of one year. Capital 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 has been provided using the straight-line method over the following estimated useful lives:

Equipment	5-15 years
Vehicles	5 years

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

NOTE 2 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014
Capital assets, being depreciated:				
Tangible personal property	\$ 5,589,092	\$ 555,413	\$ 542,119	\$ 5,602,386
Improvements	25,784	-	-	25,784
Total capital assets, being depreciated	5,614,876	555,413	542,119	5,628,170
Less accumulated depreciation for:				
Tangible personal property	4,323,532	498,430	487,202	4,334,760
Improvements	14,804	1,290	-	16,094
Total accumulated depreciation	4,338,336	499,720	487,202	4,350,854
Total capital assets, being depreciated, net	\$ 1,276,540	\$ 55,693	\$ 54,917	\$ 1,277,316

Total capital assets includes \$106,186 of equipment under capital lease. Depreciation expense of \$499,720 applies to the public safety function.

NOTE 3 – CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 597,000	\$ 490,000	\$ 496,000	\$ 591,000	\$ 198,000
Capital lease obligations	-	109,848	87,840	22,008	10,138
Total	\$ 597,000	\$ 599,848	\$ 583,840	\$ 613,008	\$ 208,138

Capital lease obligation consists of a financing agreement to purchase vehicles with an imputed interest rate of 5% payable in monthly installments of \$1,198.

Notes to Financial Statements

NOTE 3 – CHANGES IN LONG-TERM DEBT (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, are as follows:

Year ending September 30,	Amount
2015	\$ 14,376
2016	10,782
	25,158
Less interest	(3,150)
Present value of minimum lease payments	\$ 22,008

NOTE 4 – PENSION PLAN

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

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were \$888,000, \$735,000, and \$662,000, respectively, equal to the required contributions for each year.

NOTE 5 – INTERFUND BALANCES

	Due from Other Funds	Due to Other Funds
Inmate welfare fund	\$ 135	\$ -
Agency funds:		
Inmate trust fund	-	135
Totals	\$ 135	\$ 135

NOTE 6 – RISK MANAGEMENT

The Office participates in the Florida Sheriffs' self-insurance fund for risk related to professional police liability, workers' compensation and certain tangible personal property. Aggregate coverage is \$3,500,000. The Office had no settlements that exceeded coverage in the previous two fiscal years.

The Office's risks of loss related to health insurance and other general liability are covered by commercial insurance. For the past three years, there have been no insurance settlements significantly in excess of insurance coverages.

Required Supplementary Information

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 276,000	\$ 276,000	\$ 276,000	\$ -
Expenditures				
Current:				
Public safety	10,487,029	10,317,085	10,297,867	19,218
Court related	-	187,568	187,568	-
Debt Service:				
Principal	-	87,840	87,840	-
Interest	-	4,536	4,536	-
Total expenditures	10,487,029	10,597,029	10,577,811	19,218
Excess of revenues over (under) expenditures	(10,211,029)	(10,321,029)	(10,301,811)	19,218
Other financing sources (uses)				
Appropriation from board of county commissioners	10,211,029	10,211,029	10,200,695	(10,334)
Issuance of capital lease	-	110,000	109,848	(152)
Reversion to board of county commissioners	-	-	(8,732)	(8,732)
Total other financing sources (uses)	10,211,029	10,321,029	10,301,811	(19,218)
Net change in fund balances	-	-	-	-
Fund balances - beginning of the year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

Supplementary Information

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2014

	Federal Forfeiture Fund	Inmate Welfare Fund	Donations Fund	Total Nonmajor Governmental Funds
Assets				
Cash and equivalents	\$ 18,997	43,602	\$ 4,614	\$ 67,213
Due from other funds	-	135	-	135
Total assets	\$ 18,997	\$ 43,737	\$ 4,614	\$ 67,348
Liabilities and fund balances				
Accounts payable	\$ -	\$ 3,247	\$ -	\$ 3,247
Due to other county agencies	-	1,740	-	1,740
Total liabilities	-	4,987	-	4,987
Fund balances:				
Restricted:				
Federal shared funds	18,997	-	-	18,997
Charitable purposes	-	-	4,614	4,614
Assigned:				
Benefit of inmates	-	38,750	-	38,750
Total fund balances	18,997	38,750	4,614	62,361
Total liabilities and fund balances	\$ 18,997	\$ 43,737	\$ 4,614	\$ 67,348

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

	Federal Forfeiture Fund	Inmate Welfare Fund	Donations Fund	Total Nonmajor Governmental Funds
Revenues				
Charges for services	\$ -	\$ 79,064	\$ -	\$ 79,064
Fines and forfeitures	131,551	-	-	131,551
Miscellaneous	33	781	708	1,522
Total revenues	131,584	79,845	708	212,137
Expenditures				
Current:				
Public safety	123,279	86,868	-	210,147
Excess of revenues over (under) expenditures	8,305	(7,023)	708	1,990
Fund balances - beginning of year	10,692	45,773	3,906	60,371
Fund balances - end of year	\$ 18,997	\$ 38,750	\$ 4,614	\$ 62,361

Levy County Sheriff

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

	Inmate Trust Fund	Civil and Suspense Fund	Total Agency Funds
Assets			
Cash and equivalents	\$ 10,319	\$ 7,670	\$ 17,989
Liabilities			
Assets held for others	7,360	-	7,360
Due to other funds	135	-	135
Due to other county agencies	2,824	7,670	10,494
Total liabilities	10,319	7,670	17,989
Net position	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Robert B. McCallum
Sheriff
Levy County, Florida

We have audited the financial statements of the office of the Levy County Sheriff (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated June 11, 2015. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the schedule of findings that accompanies this letter.

Other Matters

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

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

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

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

Gainesville, Florida
June 11, 2015

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

The Honorable Robert B. McCallum
Sheriff
Levy 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 major fund and the aggregate remaining fund information of the office of the Levy County Sheriff (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated June 11, 2015.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as items 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Office's Response to Findings

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

Purpose of this Report

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

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

Gainesville, Florida
June 11, 2015

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

The Honorable Robert B. McCallum
Sheriff
Levy County, Florida

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

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

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

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

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

Gainesville, Florida
June 11, 2015

2014-001 (Reported in previous audit reports as items 2013-001 and 12-1.)

Condition – Because of a limited number of available personnel, it is not always possible to segregate certain incompatible duties. We noted that one employee has access to both physical assets and the related accounting records. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Recommendation – To the extent possible, given the availability of personnel, steps should be taken to separate employee duties so that no one individual has access to both physical assets and the related accounting records, or to all phases of the transaction.

Robert (Bobby) B. McCallum, Jr.
Sheriff of Levy County



PHONE: (352) 486-5111
FAX: (352) 486-5116
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CIVIL DIV.: (352) 486-5206

MEMBER, FLORIDA SHERIFF'S ASSOCIATION
9150 NE 80th AVENUE
P.O. DRAWER 1719
BRONSON, FLORIDA 32621-1719

June 11, 2015

Mr. David Martin, CPA
Office of the Auditor General
State Of Florida
Tallahassee, Florida

Dear Mr. Martin:

In accordance with the laws of Florida I respectfully submit the following responses to the audit findings for the Levy County Sheriff's Office, for the fiscal year 2013, as prepared by auditors for Carr, Riggs, & Ingram, LLC.

14-1 Being a small office it is often difficult to separate employee duties so that no one individual has access to all phases of transactions. With changes in job assignments and personnel we have tried to accomplish the task of separating these duties so that no one individual has access to both physical assets and related accounting records.

Thank you for your help.

Sincerely,

A handwritten signature in blue ink that reads "Robert B. McCallum, Jr." with a stylized flourish extending from the end.

Robert B. McCallum, Jr., Sheriff
Levy County Sheriff's Office

Levy County Tax Collector

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Linda Fugate
Tax Collector
Levy County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the major fund and the aggregate remaining fund information of the office of the Levy County Tax Collector (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

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

Gainesville, Florida
June 5, 2015

Levy County Tax Collector
 Balance Sheet – Governmental Funds
 September 30, 2014

	General Fund
Assets	
Cash and equivalents	\$ 8,558
Due from other funds	13,292
Due from other governments	2,849
Total assets	\$ 24,699
Liabilities, deferred inflows and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 22,483
Due to other county agencies	26,544
Total liabilities	49,027
Deferred inflow – advance collections	4,575
Fund balance – unassigned	(28,903)
Total liabilities, deferred inflows and fund balance	\$ 24,699

See accompanying notes.

Levy County Tax Collector
Statement of Revenues, Expenditures
and Changes in Fund Balance
Year ended September 30, 2014

	General Fund
Revenues	
Charges for services	\$1,231,663
Miscellaneous revenue	522
Total revenues	1,232,185
Expenditures	
Current:	
General government services	1,261,088
Excess of revenues under expenditures	(28,903)
Other financing uses	
Reversion to board of county commissioners	-
Net change in fund balance	(28,903)
Fund balance – October 1, 2013	-
Fund balance – September 30, 2014	\$ (28,903)

See accompanying notes.

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

	Agency Funds
<hr/>	
Assets	
Cash and equivalents	\$ 1,288,859
Accounts receivable	1,463
<hr/>	
Total assets	1,290,322
<hr/>	
Liabilities	
Due to other funds	13,292
Due to other county agencies	16,906
Assets held for others	1,260,124
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Total liabilities	1,290,322
<hr/>	
Net position	\$ -
<hr/> <hr/>	

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

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

The Office reports the following major governmental fund:

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

The Office also reports the following fiduciary funds:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

other financing uses) in net current assets and accordingly, are said to present a summary of sources and uses of "available spendable resources" during a period.

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

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

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

Cash and Equivalents

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

Capital Assets and Long-Term Liabilities

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

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

Deferred Outflows/Inflows of Resources

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

Use of Estimates

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

NOTE 2 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 26,000	\$ 28,000	\$ 27,000	\$ 27,000	\$ 16,000

NOTE 3 – PENSION PLAN

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

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were \$85,000, \$45,000, and \$33,000, respectively, equal to the required contributions for each year.

NOTE 4 – RISK MANAGEMENT

The Office's risks of loss related to health insurance, workers' compensation and other general liability are covered by commercial insurance. The Office participates in the policies of the Board of County Commissioners. For the past three years, there have been no insurance settlements significantly in excess of insurance coverage.

Levy County Tax Collector
Notes to Financial Statements

NOTE 5 – INTERFUND BALANCES

<u>Due From</u>	<u>Due To</u>
	General Fund
Tax fund	\$ 2,928
Tag fund	9,520
Game and wildlife fund	844
	<u>\$ 13,292</u>

Required Supplementary Information

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 1,280,560	\$ 1,280,560	\$ 1,231,663	\$ (48,897)
Miscellaneous revenue	500	500	522	22
Total revenues	1,281,060	1,281,060	1,232,185	(48,875)
Expenditures				
Current:				
General government services	1,238,893	1,280,325	1,261,088	19,237
Excess of revenues over (under) expenditures	42,167	735	(28,903)	(29,638)
Other financing uses				
Reversion to board of county commissioners	(42,167)	(735)	-	735
Net change in fund balances	-	-	(28,903)	(28,903)
Fund balances - October 1, 2013	-	-	-	-
Fund balances - September 30, 2014	\$ -	\$ -	\$ (28,903)	\$ (28,903)

Notes to Schedule:

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

Supplementary Information

Levy County Tax Collector

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

	Tax Fund	Tag Fund	Game and Wildlife Fund	Total
Assets				
Cash and equivalents	\$ 1,074,799	\$ 213,216	\$ 844	\$ 1,288,859
Accounts receivable	-	1,463	-	1,463
Total assets	1,074,799	214,679	844	1,290,322
Liabilities				
Due to other funds	2,928	9,520	844	13,292
Due to other county agencies	15,083	1,823	-	16,906
Assets held for others	1,056,788	203,336	-	1,260,124
Total liabilities	1,074,799	214,679	844	1,290,322
Net position	\$ -	\$ -	\$ -	\$ -

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

MANAGEMENT LETTER

The Honorable Linda Fugate
Tax Collector
Levy County, Florida

We have audited the financial statements of the office of the Levy County Tax Collector (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated June 5, 2015. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
June 5, 2015

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

The Honorable Linda Fugate
Tax Collector
Levy County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the major fund and the aggregate remaining fund information of the office of the Levy County Tax Collector (the “Office”), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office’s special purpose financial statements, and have issued our report thereon dated June 5, 2015.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2014-001 to be a material weakness.

Compliance and Other Matters

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

The Office's Response to Finding

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

Purpose of this Report

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

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

Gainesville, Florida
June 5, 2015

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

The Honorable Linda Fugate
Tax Collector
Levy County, Florida

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

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

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

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

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

Gainesville, Florida
June 5, 2015

Schedule of Findings

2014-001 *Condition* – The Office incurred significant expenditures while renovating its newly acquired branch office, and revenues of the Office were lower than anticipated. Consequently, obligations at year-end exceeded resources by approximately \$28,900.

Recommendation – Since the expenditures were related to a county-owned building, the Office should have requested reimbursement from the Board of County Commissioners so that resources would have been sufficient to pay the renovation costs incurred.

**LINDA FUGATE
LEVY COUNTY TAX COLLECTOR
CERTIFIED FLORIDA COLLECTOR
LEVY COUNTY COURTHOUSE**

PO DRAWER 250

352-486-5171

BRONSON FL 32621

June 05, 2015

State of Florida Auditor General
Claude Pepper Building
111 West Madison Street
Tallahassee, Fl 32399-1450

Dear Sir:

I am writing in response to the findings on our audit for year-end 2014.

On condition 2014-001, due to weather conditions, it was imperative to get a roof on immediately and could not wait for the Board of County Commissioners to get an RFP. The original roof had been inspected so when it did have to be replaced this caused our renovations to exceed.

Sincerely,

Linda Fugate

Linda Fugate
Tax Collector

Levy County
Property Appraiser

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Osborn "Oz" Barker
Property Appraiser
Levy County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Levy County Property Appraiser (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
January 26, 2015

Levy County Property Appraiser
Balance Sheet – Governmental Funds
September 30, 2014

	General Fund
<hr/>	
Assets	
Cash and equivalents	\$ 21,642
<hr/>	
Liabilities and fund balances	
Liabilities:	
Accounts payable and accrued liabilities	\$ 631
Due to other county agencies	21,011
<hr/>	
Total liabilities	21,642
Fund balance	-
<hr/>	
Total liabilities and fund balance	\$ 21,642
<hr/>	

See accompanying notes.

Levy County Property Appraiser

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Year ended September 30, 2014

	General Fund
Revenues	
Charges for services	\$ 28,011
Miscellaneous revenue	110
Total revenues	28,121
Expenditures	
Current:	
General government services	889,984
Excess of revenues under expenditures	(861,863)
Other financing sources (uses)	
Appropriation from board of county commissioners	882,874
Reversion to board of county commissioners	(21,011)
Total other financing sources (uses)	861,863
Net change in fund balance	-
Fund balance - October 1, 2013	-
Fund balance - September 30, 2014	\$ -

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

Accounts are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor governmental funds.

The Office reports the following major governmental fund:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

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

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

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

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

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

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

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

Measurement Focus/Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

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

Capital Assets and Long-Term Liabilities

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

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

Cash and Equivalents

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

Use of Estimates

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

NOTE 2 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 39,000	\$61,000	\$ 59,000	\$ 41,000	\$ 41,000

NOTE 3 – PENSION PLAN

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

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were approximately \$81,130, \$43,000, and \$34,000, respectively, equal to the required contributions for each year.

NOTE 4 – RISK MANAGEMENT

The Office's risks of loss related to health insurance, workers' compensation and other general liability are covered by commercial insurance. The Office participates in the policies of the Board of County Commissioners. For the past three years, there have been no insurance settlements significantly in excess of insurance coverages.

Required Supplementary Information

Levy County Property Appraiser

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 26,641	\$ 26,641	\$ 28,011	\$ 1,370
Miscellaneous revenue	-	-	110	110
Total revenues	26,641	26,641	28,121	1,480
Expenditures				
Current:				
General government services	889,477	909,515	889,984	19,531
Reserve for contingencies	15,000	-	-	-
Total expenditures	904,477	909,515	889,984	19,531
Excess of revenues over (under) expenditures	(877,836)	(882,874)	(861,863)	21,011
Other financing sources (uses)				
Appropriation from board of county commissioners	877,836	882,874	882,874	-
Reversion to board of county commissioners	-	-	(21,011)	(21,011)
Total other financing sources (uses)	877,836	882,874	861,863	(21,011)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2013	-	-	-	-
Fund balances - September 30, 2014	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

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



Carr, Riggs & Ingram, LLC
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Gainesville, Florida 32604

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MANAGEMENT LETTER

The Honorable Osborn "Oz" Barker
Property Appraiser
Levy County, Florida

We have audited the financial statements of the office of the Levy County Property Appraiser (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated January 26, 2015. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Other Matters

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

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

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

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

Gainesville, Florida
January 26, 2015

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

The Honorable Osborn “Oz” Barker
Property Appraiser
Levy County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the office of the Levy County Property Appraiser (the “Office”), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office’s special purpose financial statements, and have issued our report thereon dated January 26, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Gainesville, Florida
January 26, 2015



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

The Honorable Osborn "Oz" Barker
Property Appraiser
Levy County, Florida

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

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

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

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

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

Gainesville, Florida
January 26, 2015

Levy County Property Appraiser Osborn "Oz" Barker

P. O. Drawer 100 Bronson, Florida 32621

Telephone (352) 486-5222
Map Room (352) 486-5192



January 26, 2015

Auditor General
State of Florida
Tallahassee, Florida 32399

Dear Sir,

I have reviewed the audited financial statements of this office for the fiscal year ending September 30, 2014. We are pleased to note that we had no corrective action comments.

I am very pleased with the results of this audit and am proud of the fact that I have conducted the affairs of the Property Appraiser's Office in such a manner that I have received such a favorable audit. As always we are open to suggestions from our auditors and constantly search for ways to improve our financial reporting.

I appreciate the manner in which the auditors conducted the audit and feel that they did the work in a professional and courteous manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Osborn G. Barker". The signature is fluid and cursive.

Osborn G. Barker
Property Appraiser

Copy: File
Levy County Board of Commissioners
Robert J. Beauchamp, CPA

Levy County
Supervisor of Elections

Audit Report

September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

The Honorable Tammy Jones
Supervisor of Elections
Levy County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the office of the Levy County Supervisor of Elections (the "Office") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2015, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 20, 2015

Levy County Supervisor of Elections
Balance Sheet – Governmental Funds
September 30, 2014

	General Fund
Assets	
Cash and equivalents	\$ 22,711
Liabilities and fund balance	
Liabilities:	
Accounts payable and accrued liabilities	\$ 2,688
Due to other county agencies	20,023
Total liabilities	22,711
Fund balance	-
Total liabilities and fund balance	\$ 22,711

See accompanying notes.

Levy County Supervisor of Elections

Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Funds
 Year ended September 30, 2014

	General Fund
<hr/>	
Revenues	
Intergovernmental revenue	\$ 16,877
Miscellaneous revenue	38
<hr/>	
Total revenues	16,915
Expenditures	
Current:	
General government services	471,857
<hr/>	
Excess of revenues under expenditures	(454,942)
<hr/>	
Other financing sources (uses)	
Appropriation from board of county commissioners	472,900
Reversion to the board of county commissioners	(17,958)
<hr/>	
Total other financing sources (uses)	454,942
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance - October 1, 2013	-
<hr/>	
Fund balance - September 30, 2014	\$ -
<hr/>	

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Basis of Presentation

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

Fund Accounting

Accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The focus of fund financial statements is on major funds, each displayed in a separate column. All nonmajor funds are aggregated and displayed in a single column. The Office has no nonmajor governmental funds.

The Office reports the following major governmental fund:

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

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

Fund balance classifications are described below:

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

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

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

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

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund and the negative residual amount in other funds.

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

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

Capital Assets and Long-Term Liabilities

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

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

Cash and Equivalents

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

Use of Estimates

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

NOTE 2 – CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt follows:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014	Due Within One Year
Compensated absences	\$ 3,200	\$ 5,600	\$ 900	\$ 7,900	\$ 4,600

NOTE 3 – PENSION PLAN

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

Funding Policy. The Office is required to contribute at an actuarially determined rate. The employer contribution rates at September 30, 2014 were as follows: Regular Employees 7.37%; Special Risk Employees 19.82%; Senior Management 21.14%; Elected Officials 43.24%; DROP 12.28%. Employees are required to contribute 3%. The contribution requirements of plan members and the Office are established and may be amended by the Florida Legislature. The Office's contributions to the System for the years ended September 30, 2014, 2013 and 2012 were \$38,200, \$18,800, and \$8,500, respectively, equal to the required contributions for each year.

NOTE 4 – RISK MANAGEMENT

The Office's risks of loss related to health insurance, workers' compensation and other general liability are covered by commercial insurance. The Office participates in the policies of the Board of County Commissioners. For the past three years, there have been no insurance settlements significantly in excess of insurance coverages.

Required Supplementary Information

Levy County Supervisor of Elections

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

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ -	\$ 16,877	\$ 16,877	\$ -
Miscellaneous revenue	-	2,103	38	(2,065)
Total revenues	-	18,980	16,915	(2,065)
Expenditures				
Current:				
General government services	472,270	491,880	471,857	20,023
Excess of revenues over (under) expenditures	(472,270)	(472,900)	(454,942)	17,958
Other financing sources (uses)				
Appropriation from board of county commissioners	472,270	472,900	472,900	-
Reversion to the board of county commissioners	-	-	(17,958)	(17,958)
Total other financing sources (uses)	472,270	472,900	454,942	(17,958)
Net change in fund balances	-	-	-	-
Fund balances - October 1, 2013	-	-	-	-
Fund balances - September 30, 2014	\$ -	\$ -	\$ -	\$ -

Notes to Schedule:

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

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

MANAGEMENT LETTER

The Honorable Tammy Jones
Supervisor of Elections
Levy County, Florida

We have audited the financial statements of the office of the Levy County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2014, and have issued our report thereon dated May 20, 2015. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. These requirements of the Rules of the Auditor General are addressed in the schedule of findings that accompanies this letter.

Other Matters

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

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

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

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

Gainesville, Florida
May 20, 2015

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

The Honorable Tammy Jones
Supervisor of Elections
Levy 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 Levy County Supervisor of Elections (the "Office"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Office's special purpose financial statements, and have issued our report thereon dated May 20, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
May 20, 2015

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

The Honorable Tammy Jones
Supervisor of Elections
Levy County, Florida

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

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

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

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

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

Gainesville, Florida
May 20, 2015



Tammy Jones

Levy County
Supervisor of Elections
421 S. Court St.
Bronson, FL 32621

(352) 486-5163
tammy@votelevy.com
Website: www.votelevy.com

May 20, 2015

To: David W Martin
State of Florida Auditor General

From: Tammy Jones
Supervisor of Elections
Levy County, Florida

Re: Response to Auditors Report

The auditor reported no findings for the 2013-2014 fiscal years. I will continue to strive to comply with the Constitution and Government of the United States and of the State of Florida.

I would like to thank the auditor for their work.

Sincerely,

Tammy Jones
Supervisor of Elections
Levy County, Florida