

LEVY COUNTY, FLORIDA
FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2019

**LEVY COUNTY, FLORIDA
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SEPTEMBER 30, 2019**

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INDEPENDENT AUDITORS' REPORT

The Honorable 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, 2019, 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

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

Auditors' Responsibility

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

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

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 Levy County, Florida, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

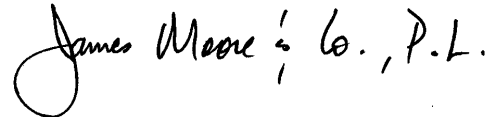
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining general fund and nonmajor fund financial statements, fiduciary fund schedule, and schedule of expenditures of federal awards and state financial assistance, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Section 215.97, Florida Statutes, *Florida Single Audit Act*; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2020, 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.

James Moore & Co., P.L.

Gainesville, Florida
May 8, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion and Analysis provides an objective and easily readable analysis of the County's financial activities for fiscal year ended September 30, 2019. 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 and deferred inflows by \$59,691,087 (net position). Of this amount, (\$10,637,343) is unrestricted net position while \$62,766,338 represents net investment in capital assets. The remaining \$7,562,092 is restricted net position.
- Net position of business-type activities increased by \$1,010,789 over the previous year. Net position of governmental activities decreased \$2,459,017. Accordingly, net position of both business-type and governmental activities decreased a total of \$1,448,228.
- At September 30, 2019, the Capital Projects' fund balances increased by \$2,581,002, primarily due to the transfer of funds from the General Fund.
- At September 30, 2019, the County's governmental funds reported a combined fund balance of \$27,829,459, representing an increase of \$4.84 million over the prior year.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 non-major 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, the Schedules of Proportionate Shares of Net Pension Liabilities and Pension Employer Contributions, and the Schedules of Changes in the Total OPEB Liability and Related Ratios.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

Following the required supplementary information can be found combining balance sheets and combining statements of revenues, expenditures, and changes in fund balances for the non-major 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 and deferred inflows by \$59,691,087 at the close of the fiscal year ended September 30, 2019. The County had an unrestricted deficit of \$10,637,343 at September 30, 2019.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 31,367,624	\$ 25,199,568	\$ 4,247,765	\$ 3,646,271	\$ 35,615,389	\$ 28,845,839
Capital assets	61,684,637	65,091,558	3,933,316	3,707,913	65,617,953	68,799,471
Total assets	93,052,261	90,291,126	8,181,081	7,354,184	101,233,342	97,645,310
Deferred outflows	12,280,829	13,021,858	400,920	398,974	12,681,749	13,420,832
Current and other liabilities	4,576,636	4,319,252	686,531	558,403	5,263,167	4,877,655
Long-term liabilities	39,719,115	35,571,010	6,386,729	6,678,848	46,105,844	42,249,858
Total liabilities	44,295,751	39,890,262	7,073,260	7,237,251	51,369,011	47,127,513
Deferred inflows	2,763,362	3,432,969	91,631	109,586	2,854,993	3,542,555
Net position:						
Net investment in capital						
assets	58,833,022	61,650,284	3,933,316	3,707,913	62,766,338	65,358,197
Restricted	7,562,092	6,599,728	-	-	7,562,092	6,599,728
Unrestricted	(8,121,137)	(8,260,259)	(2,516,206)	(3,301,592)	(10,637,343)	(11,561,851)
Total net position	\$ 58,273,977	\$ 59,989,753	\$ 1,417,110	\$ 406,321	\$ 59,691,087	\$ 60,396,074

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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

Changes in Net Position

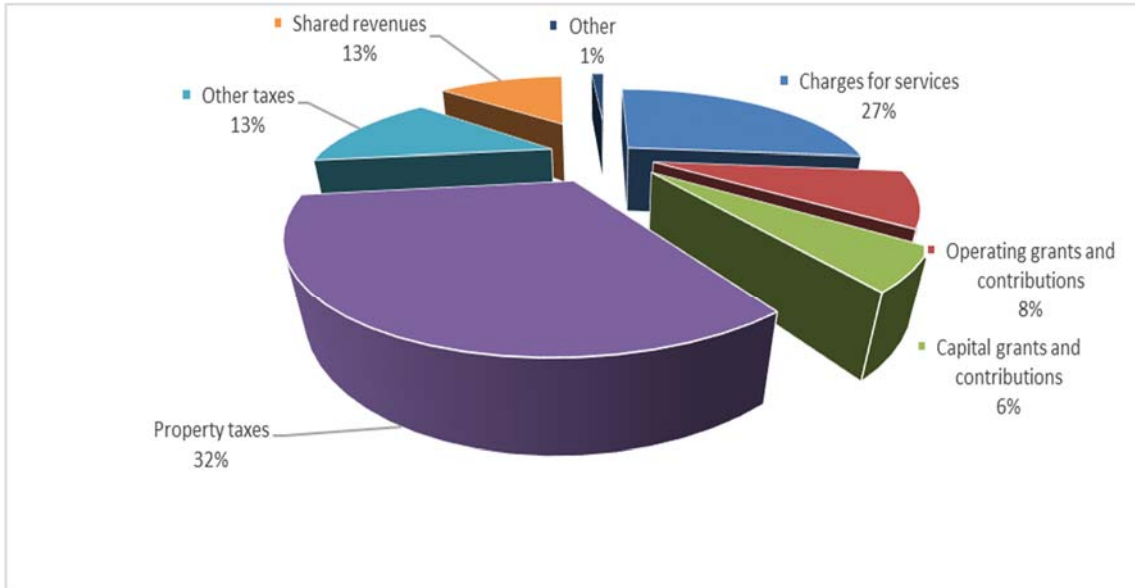
The following schedule provides a summary of the changes in net position.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 13,339,488	\$ 12,146,655	\$ 3,003,598	\$ 1,694,239	\$ 16,343,086	\$ 13,840,894
Operating grants and contributions	4,266,753	5,149,117	54,098	90,909	4,320,851	5,240,026
Capital grants and contributions	2,830,625	1,552,107	-	-	2,830,625	1,552,107
General revenues:						
Property taxes	16,444,493	15,019,231	-	-	16,444,493	15,019,231
Other taxes	6,652,725	5,564,278	-	-	6,652,725	5,564,278
Shared revenues	6,412,018	6,844,289	-	-	6,412,018	6,844,289
Other	660,500	729,202	403,214	38,853	1,063,714	768,055
Total Revenues	50,562,235	47,004,879	3,460,910	1,824,001	54,023,145	48,828,880
Expenses						
General government	9,166,432	7,494,074	-	-	9,166,432	7,494,074
Public safety	26,275,700	23,144,733	-	-	26,275,700	23,144,733
Physical environment	862,980	803,251	2,450,121	2,629,447	3,313,190	3,432,698
Transportation	10,655,382	11,938,722	-	-	10,655,382	11,938,722
Economic environment	991,017	803,597	-	-	991,017	803,597
Human services	1,995,380	1,831,190	-	-	1,995,380	1,831,190
Culture and recreation	863,015	1,000,537	-	-	863,015	1,000,537
Court related	2,083,069	1,622,165	-	-	2,083,069	1,622,165
Interest on long-term debt	128,277	120,523	-	-	128,277	120,523
Total Expenses	53,021,252	48,758,792	2,450,121	2,629,447	55,471,373	51,388,239
Change in net position before transfers	(2,459,017)	(1,753,913)	1,010,789	(805,446)	(1,448,228)	(2,559,359)
Transfers	-	(433,000)	-	433,000	-	-
Change in net position	(2,459,017)	(2,186,913)	1,010,789	(372,446)	(1,448,228)	(2,559,359)
Net position - beg of year, as previously reported	59,989,753	62,484,927	406,321	775,880	60,396,074	63,260,80
Restatement	743,241	(308,261)	-	2,887	743,241	(305,374)
Net position - beginning of year, as restated	60,732,994	62,176,666	406,321	778,767	61,139,315	62,955,433
Net position - end of year	\$ 58,273,977	\$ 59,989,753	\$ 1,417,110	\$ 406,321	\$ 59,691,087	\$ 60,396,074

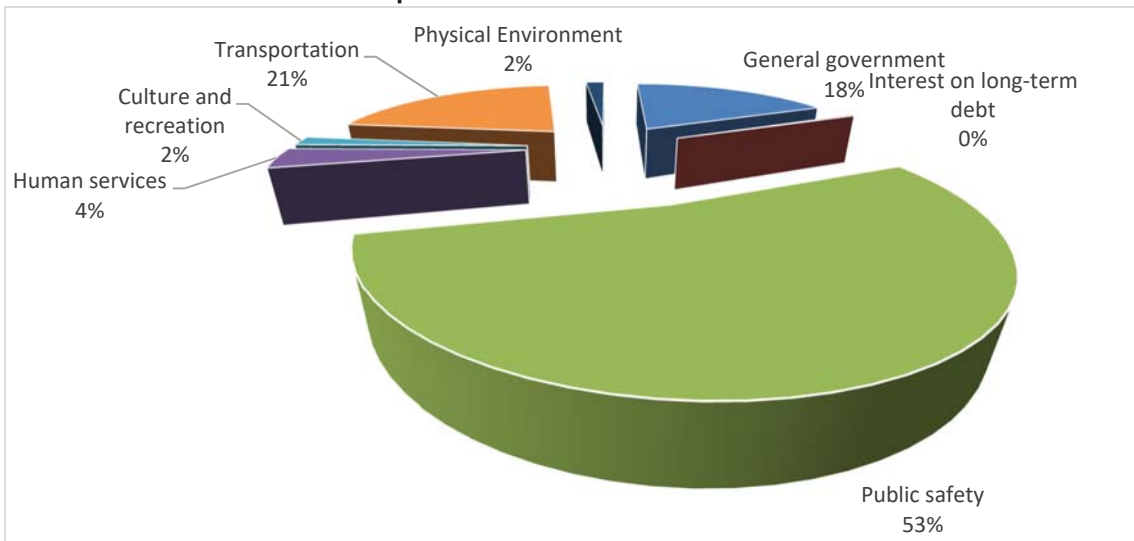
**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

Fiscal Year Ended September 2019

Revenues – Governmental Activities



Expenses – Governmental Activities



The most significant change in revenues was seen in property taxes, which increased \$1.4 million, primarily related to increased assessment value.

Governmental activities expenses and transfers exceeded revenues by approximately \$2.5 million, while business-type activities revenue and transfers were less than expenses by \$1.0 million. Total expenses increased approximately 7.6% (\$3.9 million) from the previous year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

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; and 3) Emergency Medical Services Fund.

The General Fund is the chief operating fund of the County. The General Fund includes the General Fund of the Board of County Commissioners and the General Funds of each Constitutional Officer. The General Fund had an increase in fund balance of \$1,341,549. The total fund balance was \$12,054,234, of which \$1,777,511 is 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 \$1,896,716 at year-end. This was a decrease of \$89,709 from the prior year.

The Emergency Medical Services Fund accounts for emergency transport and medical services. The fund had a total fund balance of \$1,765,312. This was a decrease of \$36,068 from the prior year.

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 \$3,003,598 in the current year. This amount consists of \$784,829 generated by tipping and recycling fees and \$2,218,769 from landfill assessments. As of September 30, 2019, total net position was \$1,417,110, an increase of \$1,010,789 from the prior year.

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 more than the final budget by approximately \$1,710,000. Budgeted expenditures exceeded actual by approximately \$969,000 primarily due to \$529,000 of unexpended general government.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 5,403,986	\$ 5,390,801	\$ 239,648	\$ 239,648	\$ 5,643,634	\$ 5,630,449
Buildings & Improvements	12,396,179	12,719,008	3,103,376	3,099,231	15,499,555	15,818,239
Equipment	4,975,003	5,612,399	590,292	369,034	5,565,295	5,981,433
Infrastructure	38,668,880	41,369,350	-	-	38,668,880	41,369,350
Construction in Progress	240,589	-	-	-	240,589	-
Capital assets, net	\$ 61,684,637	\$ 65,091,558	\$ 3,933,316	\$ 3,707,913	\$ 65,617,953	\$ 68,799,471

The County's total investment in capital assets for both its governmental and business type activities as of September 30, 2019, was \$65,617,953 (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 5 to the financial statements for more information about the County's capital assets.

Long-term Liabilities

On September 30, 2019, the County's governmental outstanding long-term liabilities were \$41,034,653 and the business-type long-term liabilities were \$6,881,611. Approximately \$2.2 million of the governmental liabilities represents bonds secured by specific revenue sources as a method of repayment. The majority of the remaining balance, \$38.8 million, represents the County's proportionate share of pension and other post-employment benefits (OPEB) liabilities. For the business-type liabilities, the largest component 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 6, 7, 8 and 9 to the financial statements for more information about the County's long-term liabilities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

NEXT YEAR'S BUDGET AND SIGNIFICANT FINANCIAL CONDITIONS

Levy County has relied on property taxes, intergovernmental resources, and accumulated reserves to fund its operations. The County is addressing the reliance upon reserves for operational cost going forward. The County has utilized grants, road, EMS, and park impact fees to help fund the infrastructure needs.

The Board of County Commissioners adopted a General Fund millage rate of 9.000 mills for fiscal year 2020, equal to the millage rate adopted for fiscal year 2019.

REQUESTS FOR INFORMATION

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

LEVY COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and equivalents	\$ 13,051,920	\$ 1,587,525	\$ 14,639,445
Investments	13,923,038	2,553,233	16,476,271
Accounts receivable, net	767,084	97,256	864,340
Due from other governments	3,348,600	54,707	3,403,307
Internal balances	44,956	(44,956)	-
Due from fiduciary funds	221,206	-	221,206
Prepaid expenses	10,820	-	10,820
Capital assets:			
Non-depreciable	5,644,575	239,648	5,884,223
Depreciable, net	56,040,062	3,693,668	59,733,730
Total assets	<u>\$ 93,052,261</u>	<u>\$ 8,181,081</u>	<u>\$ 101,233,342</u>
DEFERRED OUTFLOWS			
Deferred loss on bond refunding	\$ 97,360	-	\$ 97,360
Deferred outflows related to pensions	11,771,287	368,527	12,139,814
Deferred outflows related to OPEB	412,182	32,393	444,575
Total deferred outflows	<u>\$ 12,280,829</u>	<u>\$ 400,920</u>	<u>\$ 12,681,749</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 2,325,993	\$ 191,564	\$ 2,517,557
Deposits	66,279	-	66,279
Due to other governments	837,387	85	837,472
Accrued interest payable	12,670	-	12,670
Unearned revenue	18,769	-	18,769
Noncurrent liabilities:			
Due within one year	1,315,538	494,882	1,810,420
Due in more than one year	2,948,975	5,172,660	8,121,635
Total OPEB liability	2,131,376	129,624	2,261,000
Net pension liability	34,638,764	1,084,445	35,723,209
Total liabilities	<u>\$ 44,295,751</u>	<u>\$ 7,073,260</u>	<u>\$ 51,369,011</u>
DEFERRED INFLOWS			
Deferred inflows related to pensions	\$ 2,638,986	\$ 82,620	\$ 2,721,606
Deferred inflows related to OPEB	124,376	9,011	133,387
Total deferred inflows	<u>\$ 2,763,362</u>	<u>\$ 91,631</u>	<u>\$ 2,854,993</u>
NET POSITION			
Net investment in capital assets	\$ 58,833,022	\$ 3,933,316	\$ 62,766,338
Restricted for:			
Law enforcement	474,881	-	474,881
Fire and EMS	395,142	-	395,142
Roads and transportation	2,868,638	-	2,868,638
Economic environment	682,829	-	682,829
Mosquito control	27,234	-	27,234
Parks and recreation	352,671	-	352,671
Court costs	2,760,697	-	2,760,697
Unrestricted	(8,121,137)	(2,516,206)	(10,637,343)
Total net position	<u>\$ 58,273,977</u>	<u>\$ 1,417,110</u>	<u>\$ 59,691,087</u>

The accompanying notes to financial statements
are an integral part of this statement.

**LEVY COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 9,166,432	\$ 1,940,561	\$ 206,573	\$ -	\$ (7,019,298)	\$ -	\$ (7,019,298)
Public safety	26,275,700	9,734,963	508,975	12,564	(16,019,198)	-	(16,019,198)
Physical environment	862,980	26,803	131,748	-	(704,429)	-	(704,429)
Transportation	10,655,382	588,833	2,396,767	2,785,616	(4,884,166)	-	(4,884,166)
Economic environment	991,017	-	850,723	-	(140,294)	-	(140,294)
Human services	1,995,380	-	35,690	-	(1,959,690)	-	(1,959,690)
Culture and recreation	863,015	79,543	126,071	32,445	(624,956)	-	(624,956)
Court related	2,083,069	968,785	10,206	-	(1,104,078)	-	(1,104,078)
Interest on long-term debt	128,277	-	-	-	(128,277)	-	(128,277)
Total	<u>53,021,252</u>	<u>13,339,488</u>	<u>4,266,753</u>	<u>2,830,625</u>	<u>(32,584,386)</u>	<u>-</u>	<u>(32,584,386)</u>
Business-type activities:							
Landfill	2,450,121	3,003,598	54,098	-	-	607,575	607,575
Total primary government	<u>\$ 55,471,373</u>	<u>\$ 16,343,086</u>	<u>\$ 4,320,851</u>	<u>\$ 2,830,625</u>	<u>(32,584,386)</u>	<u>607,575</u>	<u>(31,976,811)</u>
General revenues:							
Property taxes					16,444,493	-	16,444,493
Sales taxes					4,105,249	-	4,105,249
Gas taxes					2,160,375	-	2,160,375
Tourist development tax					238,462	-	238,462
Communications service tax					148,639	-	148,639
Intergovernmental					6,412,018	-	6,412,018
Investment income					388,135	-	388,135
Miscellaneous					272,365	403,214	675,579
Total general revenues					<u>30,125,369</u>	<u>403,214</u>	<u>30,528,583</u>
Change in net position					(2,459,017)	1,010,789	(1,448,228)
Net position - beginning of year, as restated					60,732,994	406,321	61,139,315
Net position - end of year					<u>\$ 58,273,977</u>	<u>\$ 1,417,110</u>	<u>\$ 59,691,087</u>

The accompanying notes to financial statements
are an integral part of this statement.

**LEVY COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	General Fund	Road and Bridge	Emergency Medical Services	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 1,860,726	\$ 829,110	\$ 708,416	\$ 9,653,668	\$ 13,051,920
Investments	10,299,752	160,836	727,813	2,734,637	13,923,038
Accounts receivable	72,795	-	665,990	28,299	767,084
Due from other governments	1,191,723	1,183,067	-	973,810	3,348,600
Prepaid items	320	-	10,500	-	10,820
Due from other funds	287,877	128,228	10,534	57,211	483,850
Total assets	<u>\$ 13,713,193</u>	<u>\$ 2,301,241</u>	<u>\$ 2,123,253</u>	<u>\$ 13,447,625</u>	<u>\$ 31,585,312</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ 1,335,460	\$ 386,505	\$ 170,518	\$ 433,510	\$ 2,325,993
Deposits	-	-	-	66,279	66,279
Due to other governments	228,029	526	2,988	605,844	837,387
Unearned revenue	3,769	-	-	15,000	18,769
Due to other funds	91,701	-	20,105	105,882	217,688
Total liabilities	<u>1,658,959</u>	<u>387,031</u>	<u>193,611</u>	<u>1,226,515</u>	<u>3,466,116</u>
Deferred inflows					
Unavailable revenues	-	17,494	164,330	107,913	289,737
Fund balances					
Nonspendable:					
Prepays	320	-	10,500	-	10,820
Restricted for:					
Law enforcement	-	-	-	474,881	474,881
Fire and EMS	-	-	-	395,142	395,142
Roads and transportation	-	469,966	-	2,398,672	2,868,638
Economic environment	-	-	-	682,829	682,829
Mosquito control	-	-	-	27,234	27,234
Parks and recreation	-	-	-	352,671	352,671
Court costs	-	-	-	2,760,697	2,760,697
Assigned to:					
Law enforcement	-	-	-	93,576	93,576
Fire and EMS	-	-	1,754,812	756,673	2,511,485
Utility system	-	-	-	76,076	76,076
Roads and transportation	-	1,426,750	-	295,735	1,722,485
Debt service	-	-	-	366,899	366,899
Capital improvements	-	-	-	3,432,112	3,432,112
Court costs	77,511	-	-	-	77,511
Subsequent year's budget	1,700,000	-	-	-	1,700,000
Unassigned	10,276,403	-	-	-	10,276,403
Total fund balances	<u>12,054,234</u>	<u>1,896,716</u>	<u>1,765,312</u>	<u>12,113,197</u>	<u>27,829,459</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 13,713,193</u>	<u>\$ 2,301,241</u>	<u>\$ 2,123,253</u>	<u>\$ 13,447,625</u>	<u>\$ 31,585,312</u>

The accompanying notes to financial statements
are an integral part of this statement.

**LEVY COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

Total fund balances - Governmental Funds \$ 27,829,459

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Total governmental capital assets - nondepreciable	261,131,378	
Less: accumulated depreciation	<u>(199,446,741)</u>	61,684,637

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

Net pension liability	(34,638,764)	
Deferred outflows related to pensions	11,771,287	
Deferred inflows related to pensions	<u>(2,638,986)</u>	(25,506,463)

On the governmental fund statements, total OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the County's total OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

Total OPEB liability	(2,131,376)	
Deferred outflows related to OPEB	412,182	
Deferred inflows related to OPEB	<u>(124,376)</u>	(1,843,570)

Because some property taxes and other revenues will not be collected for several months after the close of the County's fiscal year end, they are not considered as "available" revenues in the governmental funds, and therefore, reported as deferred inflows of unavailable revenues. In the statement of net position, which is presented on an accrual basis, no deferral is reported since the revenue is fully recognized in the statement of activities.

289,737

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

Deferred loss on debt refunding	97,360	
Notes payable	(2,261,136)	
Capital leases	(438,381)	
Accrued interest	(12,670)	
Compensated absences	<u>(1,564,996)</u>	(4,179,823)

Net position of governmental activities

\$ 58,273,977

The accompanying notes to financial statements
are an integral part of this statement.

LEVY COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Emergency Medical Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues					
Taxes	\$ 20,026,101	\$ 2,145,482	\$ -	\$ 238,462	\$ 22,410,045
Permit, fees, and special assessments	437,023	11,400	2,735,794	3,092,920	6,277,137
Intergovernmental	6,770,999	3,477,709	55,282	3,473,245	13,777,235
Charges for services	3,792,513	-	2,525,142	1,297,958	7,615,613
Fines and forfeitures	4,677	-	-	232,511	237,188
Miscellaneous revenues	759,554	885,431	26,620	133,566	1,805,171
Total revenues	<u>31,790,867</u>	<u>6,520,022</u>	<u>5,342,838</u>	<u>8,468,662</u>	<u>52,122,389</u>
Expenditures					
Current:					
General government	8,585,206	-	-	304,737	8,889,943
Public safety	14,296,396	-	5,309,575	2,628,156	22,234,127
Physical environment	516,216	-	-	262,284	778,500
Economic environment	345,188	-	-	620,413	965,601
Transportation	-	5,227,813	-	1,206,119	6,433,932
Human services	1,788,842	-	-	61,234	1,850,076
Culture and recreation	559,338	-	-	229,492	788,830
Court related	453,524	-	-	1,198,022	1,651,546
Capital outlay	569,560	1,209,547	69,301	605,183	2,453,591
Debt service:					
Principal	164,775	165,899	-	520,000	850,674
Interest	8,602	19,338	-	67,348	95,288
Total expenditures	<u>27,287,647</u>	<u>6,622,597</u>	<u>5,378,876</u>	<u>7,702,988</u>	<u>46,992,108</u>
Excess (deficiency) of revenues over expenditures	<u>4,503,220</u>	<u>(102,575)</u>	<u>(36,038)</u>	<u>765,674</u>	<u>5,130,281</u>
Other financing sources (uses)					
Transfers in	136,310	932,185	-	3,290,796	4,359,291
Transfers out	(3,297,981)	(925,000)	-	(180,677)	(4,403,658)
Other external reversion	-	-	-	(256,198)	(256,198)
Proceeds from sale of capital assets	-	5,681	-	-	5,681
Total other financing sources (uses)	<u>(3,161,671)</u>	<u>12,866</u>	<u>-</u>	<u>2,853,921</u>	<u>(294,884)</u>
Net change in fund balance	<u>1,341,549</u>	<u>(89,709)</u>	<u>(36,038)</u>	<u>3,619,595</u>	<u>4,835,397</u>
Fund balance, beginning of year, as restated	10,712,685	1,986,425	1,801,350	8,493,602	22,994,062
Fund balance, end of year	<u>\$ 12,054,234</u>	<u>\$ 1,896,716</u>	<u>\$ 1,765,312</u>	<u>\$ 12,113,197</u>	<u>\$ 27,829,459</u>

The accompanying notes to financial statements
are an integral part of this statement.

**LEVY COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Net change in fund balances-total governmental funds **\$ 4,835,397**

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 allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	2,051,907
Donated capital assets	216,531
Gain/(loss) on disposal of capital assets	(3,822)
Depreciation expense	(5,671,537)

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Repayment of principal of long-term debt	850,674
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Net change in deferred inflows for unavailable revenues	(21,468)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:

Compensated absences	229,604
Accrued interest payable	3,505
Net amortization of premiums (discounts) on long-term debt	(11,556)
Total OPEB liability and related items	(111,508)
Net pension liability and related items	(4,801,806)
Prepaid expenses	(24,938)

Change in net position of governmental activities	\$ (2,459,017)
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The accompanying notes to financial statements
are an integral part of this statement.

**LEVY COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2019**

	Landfill Fund
ASSETS	
Cash and cash equivalents	\$ 567,953
Investments	921,058
Accounts receivable, net	97,256
Due from other governments	54,707
Due from other funds	3,439
Restricted current assets	
Cash and cash equivalents	462,259
Total current assets	2,106,672
Noncurrent assets:	
Restricted investments	1,632,175
Restricted cash and cash equivalents	557,313
Capital assets:	
Land	239,648
Building and improvements	4,098,487
Machinery and equipment	2,858,824
Accumulated depreciation	(3,263,643)
Total capital assets, net	3,933,316
Total noncurrent assets	6,122,804
Total assets	\$ 8,229,476
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	\$ 368,527
Deferred outflows related to OPEB	32,393
Total deferred outflows of resources	\$ 400,920
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 191,564
Due to other governments	85
Due to other funds	48,395
Compensated absences	32,623
Landfill closure and long-term care liability	462,259
Total current liabilities	734,926
Noncurrent liabilities:	
Compensated absences	50,065
Total OPEB liability	129,624
Net pension liability	1,084,445
Landfill closure and long-term care liability	5,122,595
Total noncurrent liabilities	6,386,729
Total liabilities	\$ 7,121,655
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	\$ 82,620
Deferred inflows related to OPEB	9,011
Total deferred inflows of resources	\$ 91,631
NET POSITION	
Net investment in capital assets	\$ 3,933,316
Unrestricted	(2,516,206)
Total net position	\$ 1,417,110

The accompanying notes to financial statements are an integral part of this statement.

LEVY COUNTY, FLORIDA
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Landfill Fund
Operating revenues	
Charges for services	\$ 784,829
Landfill assessments	2,218,769
Total operating revenues	3,003,598
Operating expenses	
Personal services	1,073,781
Operating expenses	1,157,166
Depreciation	219,174
Total operating expenses	2,450,121
Operating income (loss)	553,477
Nonoperating revenues (expenses)	
Interest earnings	45,908
Intergovernmental grants	54,098
Miscellaneous income	357,306
Total nonoperating revenues (expenses)	457,312
Change in net position	1,010,789
Net position, beginning of year	406,321
Net position, end of year	\$ 1,417,110

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Landfill Fund
Cash flows from operating activities	
Cash received from customers	\$ 3,079,367
Cash paid to employees	(882,396)
Cash paid to suppliers	(1,532,443)
Other receipts	357,306
Net cash provided by (used in) operating activities	1,021,834
Cash flows from noncapital financing activities	
Intergovernmental grant proceeds	54,098
Interfund loans	15,605
Net cash provided by (used in) noncapital financing activities	69,703
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(444,577)
Cash flows from investing activities	
Interest received	1,978
Purchases of investments	(900,000)
Net cash provided by (used in) investing activities	(898,022)
Net change in cash and cash equivalents	(251,062)
Cash and cash equivalents, beginning of year	1,838,587
Cash and cash equivalents, end of year	\$ 1,587,525
Cash and cash equivalents classified as:	
Unrestricted	\$ 567,953
Restricted	1,019,572
Total cash and cash equivalents	\$ 1,587,525
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 553,477
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	219,174
Nonoperating revenues (expenses)	357,306
Changes in assets and liabilities:	
Accounts receivable	29,413
Due from other governments	46,356
Accounts payable and accrued liabilities	(17,971)
Compensated absences	(312)
Net pension liability	158,188
Landfill closure and long-term care liability	(357,306)
Total OPEB liability	33,509
Net cash provided by (used in) operating activities	\$ 1,021,834

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019**

	Agency Funds
ASSETS	
Cash and equivalents	\$ 3,034,902
Receivables	1,075
Total assets	\$ 3,035,977
 LIABILITIES	
Assets held for others	\$ 2,814,771
Due to other funds	221,206
Total liabilities	\$ 3,035,977
 NET POSITION	\$ -

The accompanying notes to financial statements
are an integral part of this statement.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) Summary of Significant Accounting Policies:

The financial statements of the Levy County, Florida (the County), have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the County's significant accounting policies:

(a) **Reporting entity**—The Board of County Commissioners (the Board) is the legislative and governing body of the County. It operates under a non-charter form of government pursuant to the authority provided in the Constitution of the State of Florida and consists of five elected officials. The County was established by the Laws of Florida in 1845. The Clerk of the Circuit Court serves as Clerk to the Board pursuant to Section 125.17, Florida Statutes.

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

(b) **Related and jointly-governed organizations**—The Nature Coast Business Development Council, Inc. (the Council) is a not-for-profit corporation organized for the purposes of furthering the economic development of the County and its environs, and promoting and assisting the growth and development of business concerns in the County, 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 eleven members, and five are appointed by the Board of County Commissioners with the remaining members 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 Council is considered a related organization of the County. During the year, the County appropriated \$66,400 to the Council from the General Fund.

The governments of Putnam, Alachua, and Levy Counties established the Putnam, Alachua, Levy Library Cooperative through an interlocal agreement in 2010. 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. The Cooperative is governed by a Board consisting of eight members, two of which are appointed by each participating county, with the remaining appointed by the Alachua County Library District. A copy of the Cooperative's separate financial statements may be obtained from its website.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(c) **Government-wide and fund financial statements**—The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) concentrate on the County as a whole. In addition, they report information on all of the non-fiduciary activities of the County. For the most part, the effect of inter-fund activity has been removed from these statements.

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 75 days of the end of the current fiscal period, except for property taxes which is 60 days.

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

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

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

The County reports the following major governmental funds:

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

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

Road and Bridge Fund - The Road and Bridge fund (a special revenue 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.

The County reports the following major enterprise funds:

Landfill Fund - The Landfill fund is used to account for operations of the County's landfill and recycling activities.

The County reports the following other fund type:

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

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

(f) **Receivables**—Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" and are eliminated in the government-wide financial statements. All trade and property tax receivables are reported net of an allowance for uncollectible accounts, which is based upon management's analysis of historical trends.

(g) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. Prepaid items are recognized as expenses when the related expenses are incurred.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Capital assets**—Capital assets include property, plant, equipment and infrastructure assets. The terms general capital assets and general infrastructure assets relate only to the assets associated with governmental activities, whereas the terms capital assets and infrastructure assets relate to all such assets belonging to the County. Capital assets are defined by the County as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one-year. The threshold for capitalizing infrastructure is \$25,000. Such assets are recorded at historical cost, if purchased or constructed. Donated assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are only capitalized if they meet the dollar threshold above for capitalization. Maintenance and repairs of capital assets are charged to operating expenses.

Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

Assets	Years
Buildings	30 – 50 years
Improvements	10 – 50 years
Infrastructure	10 – 50 years
Equipment	5 – 15 years

(i) **Compensated absences**—The various County agencies maintain policies that permit employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation of service if certain criteria are met. These benefits, plus their related tax and retirement costs, are classified as compensated absences. The policies of the various County agencies vary as to the amount and the vesting of employee vacation leave time and in some instances sick time. The amount of vacation time is determined by the period of employment. The compensated absences liability is primarily liquidated by the general fund.

(j) **Long-term obligations**—In the government-wide financial statements, long-term debt obligations are reported as liabilities on the statement of net position. The compensated absences and net pension liabilities have been liquidated in the past by the reporting units of the underlying employees, including primarily the general fund, with some smaller amounts paid by other governmental funds.

(k) **Deferred outflows/inflows of resources**—In addition to assets, the statement of financial position will, if required, report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the only items in this category consist of a deferred loss on bond refunding, and deferred amounts related to pensions and OPEB, as discussed further in Notes (8) and (9), respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of financial position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the only items in this category consist of deferred amounts related to pensions and OPEB, as discussed further in Notes (8) and (9), respectively.

**LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

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

Nonspendable – amounts not available to be spent or not in spendable form, such as inventory and prepaid items.

Restricted – amounts constrained to specific purposes by their providers (such as grantors and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts the County intends to use for a specific purpose as expressed at the highest level of decision making authority by the Board of County Commissioners.

Assigned – amounts the County intends to use for a specific purpose. Intent can be expressed by Board of County Commissioners or by an official or body which the Board delegates authority.

Unassigned – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available; the County considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds and finally, unassigned funds, as needed.

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

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

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

The annual budget is prepared at the fund, department, and division level. The department directors submit requests for appropriations to the Clerk of Courts. The Clerk submits a recommended budget to the Board of County Commissioners. Public hearings on the proposed budget are held in September. On or before October 1, the budget is adopted by the Board of County Commissioners. Transfers between funds and additional appropriations require Board approval. Appropriations in all funds lapse at the close of the fiscal year to the extent that it has not been re-budgeted in the following fiscal year. The fund is the legal level of budgetary control.

(o) **Use of estimates**—Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(2) Reconciliation of Government-Wide and Fund Financial Statements:

(a) Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) Deposits and Investments:

Florida Statutes authorize the County to invest in bonds, notes or other obligations of the U.S. Government, certificates of deposits, repurchase agreements, certain bonds of any State or local government unit and the State Treasurer's Investment Pool. As of September 30, 2019, all County deposits were covered by private bank acquired insurance, Securities Investor Protection Corporation (SIPC) insurance, private broker/dealer acquired insurance, Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act). The Act established guidelines for qualification and participation by banks and savings associations, procedures for administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the qualified depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to 125% may be required if deemed necessary.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool created by the Florida Association of Court Clerks and the Florida Association of Counties for the purpose of providing public entities with an investment program that focuses on longer term securities with the highest credit ratings. The effective maturity of the underlying investment is five years or less. At year end, the FLGIT was invested in money markets, treasury notes, asset-backed securities and Federal agency obligations. The investment type is subject to some market risk due to fluctuating prices and liquidity risk due to advance redemption notification requirements. However, it has a professional investment advisor and an investment advisory board. The FLGIT maintains a credit rating of AA+ by Standard & Poor's and the weighted average maturity of the funds was 30 days. A copy of FLGIT's most recent financial statements can be found at <http://floridatrustonline.com>. At September 30, 2019, the County had \$6,330,594 invested with FLGIT.

The State Board of Administration PRIME pool (Florida PRIME) is an external investment pool that meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the County's investment in Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value. The weighted average maturity of the fund was 37 days. At September 30, 2019, the County had \$8,769 invested with Florida PRIME.

As of September 30, 2019, the County held \$10,136,908 of investments in certificates of deposit. Such investments are recorded at cost plus accrued interest, which approximates fair value.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(3) Deposits and Investments: (Continued)

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

Concentration of Credit Risk. The County places no limit on the amount that may be invested in any one issuer.

(4) Interfund Balances and Transfers:

The County makes routine transfers between its funds in the course of the fiscal year. The principal purposes of these transfers are to allocate resources for debt service, construction or other capital projects, and to provide operating subsidies. These transfers are consistent with the activities of the funds involved. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financing sources (uses) in the Governmental Funds and as transfers in (out) in the Proprietary Funds.

As of September 30, 2019, interfund balances consisted of:

<u>Due to Other Funds</u>	<u>Due from Other Funds</u>					<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Emergency Medical Services</u>	<u>Nonmajor Governmental</u>	<u>Landfill</u>	
Governmental Funds						
General Fund	\$ -	\$ 20,517	\$ 10,534	\$ 57,211	\$ 3,439	\$ 91,701
Emergency Medical Svcs.	21	20,084	-	-	-	20,105
Nonmajor Governmental	66,634	39,248	-	-	-	105,882
Proprietary Funds						
Landfill	16	48,379	-	-	-	48,395
Fiduciary Funds	221,206	-	-	-	-	221,206
Total	\$ 287,877	\$ 128,228	\$ 10,534	\$ 57,211	\$ 3,439	\$ 487,289

Transfers from/to other funds for the year ended September 30, 2019, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Road and Bridge</u>	<u>Emergency Medical Services</u>	<u>Nonmajor Governmental</u>	
Governmental Funds					
General Fund	\$ -	\$ 932,185	\$ -	\$ 2,365,796	\$ 3,297,981
Road and Bridge	-	-	-	925,000	925,000
Nonmajor Governmental	180,677	-	-	-	180,677
Proprietary Funds					
Landfill	-	-	-	-	-
Total	\$ 180,677	\$ 932,185	\$ -	\$ 3,290,796	\$ 4,403,658

The transfers from the General Fund to other funds were primarily to support operations of other funds and/or to allocate funds for future capital projects. The transfer from the road and bridge fund was to allocate monies for capital projects.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(5) Capital Assets:

Capital asset activity for the fiscal year ended September 30, 2019, was as follows:

Governmental Activities:	Balance 9/30/18	Increases	Decreases	Balance 9/30/19
Capital Assets, Not Being Depreciated:				
Land	\$ 5,390,801	\$ 13,185	\$ -	\$ 5,403,986
Construction in Progress	-	240,589	-	240,589
Total Capital Assets Not Being Depreciated	5,390,801	253,774	-	5,644,575
Capital Assets Being Depreciated:				
Buildings and Improvements	22,249,313	149,546	-	22,398,859
Infrastructure - Roads	208,460,862	990,130	-	209,450,992
Machinery and Equipment	23,222,825	874,988	(460,861)	23,636,952
Total Capital Assets Being Depreciated	253,933,000	2,014,664	(460,861)	255,486,803
Less Accumulated Depreciation For:				
Buildings and Improvements	9,535,170	467,510	-	10,002,680
Infrastructure - Roads	167,091,512	3,690,600	-	170,782,112
Machinery and Equipment	17,605,561	1,513,427	(457,039)	18,661,949
Total Accumulated Depreciation	194,232,243	5,671,537	(457,039)	199,446,741
Total Capital Assets, Net of Depreciation	59,700,757	(3,656,873)	(3,822)	56,040,062
Governmental Activities Capital Assets, Net	\$ 65,091,558	\$ (3,403,099)	\$ (3,822)	\$ 61,684,637
	Balance			Balance
Business-type Activities:	9/30/18	Increases / Transfers	Decreases	9/30/19
Capital Assets, Not Being Depreciated:				
Land	\$ 239,648	\$ -	\$ -	\$ 239,648
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	239,648	-	-	239,648
Capital Assets Being Depreciated:				
Buildings and Improvements	4,012,525	85,962	-	4,098,487
Machinery and Equipment	2,467,287	446,035	(54,498)	2,858,824
Total Capital Assets Being Depreciated	6,479,812	531,997	(54,498)	6,957,311
Less Accumulated Depreciation For:				
Buildings and Improvements	913,294	81,817	-	995,111
Machinery and Equipment	2,098,253	217,470	(47,191)	2,268,532
Total Accumulated Depreciation	3,011,547	299,287	(47,191)	3,263,643
Total Capital Assets, Net of Depreciation	3,468,265	232,710	(7,307)	3,693,668
Business-type Activities Capital Assets, Net	\$ 3,707,913	\$ 232,710	\$ (7,307)	\$ 3,933,316

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(5) **Capital Assets:** (Continued)

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

Governmental activities			
General Government	\$	557,049	
Public Safety		906,337	
Physical Environment		20,057	
Transportation		4,122,718	
Human Services		48,148	
Culture and Recreation		17,228	
Total depreciation expense-governmental activities	\$	5,671,537	
Business-type activities			
Landfill	\$	219,174	
Total depreciation expense-business-type activities	\$	219,174	

(6) **Long-Term Liabilities:**

The following is a summary of changes in long-term debt activity of the County for the year ended September 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 2,730,000	\$ -	\$ 520,000	\$ 2,210,000	\$ 530,000
Less deferred amount:					
Bond premium	63,919	-	12,783	51,136	-
Total bonds payable,	2,793,919	-	532,783	2,261,136	530,000
Capital leases	769,055	-	330,674	438,381	171,208
Compensated absences	1,794,600	1,321,496	1,598,781	1,564,996	614,330
Governmental activities - Total Long-Term Liabilities	\$ 5,357,574	\$ 1,321,496	\$ 2,462,238	\$ 4,264,513	\$ 1,315,538
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Accrued landfill closure and long-term care costs	\$ 5,942,160	\$ -	\$ 357,306	5,584,854	462,259
Compensated absences	83,000	73,550	73,862	82,688	32,623
Business-type activities - Total Long-Term Liabilities	\$ 6,025,160	\$ 73,550	\$ 431,168	\$ 5,667,542	\$ 494,882

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(6) **Long-Term Liabilities:** (Continued)

Bond Payable

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.

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 \$2.7 million. During 2019, \$1,687,282 of half-cent sales tax revenue was recognized and \$587,348 was paid for debt service.

The following schedule provides future debt service requirements of the bonds payable:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 530,000	\$ 56,948	\$ 586,948
2021	545,000	41,048	586,048
2022	560,000	24,698	584,698
2023	575,000	12,938	587,938
Total	<u>\$ 2,210,000</u>	<u>\$ 135,632</u>	<u>\$ 2,345,632</u>

Capital Leases

The County leases heavy equipment under agreements that are classified as capital leases. The agreements bear interest rates ranging from 3.20% to 5.20%. The future minimum lease payments required and the present value of the net minimum lease payments at September 30, 2019, are as follows:

<u>Year Ending September 30,</u>	<u>Payment</u>
2020	\$ 185,236
2021	185,237
2022	93,379
Total Minimum Lease Payments	<u>463,852</u>
Less: Amount Representing Interest	25,471
Present Value of Minimum Lease Payments	<u>\$ 438,381</u>

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

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(6) Long-Term Liabilities: (Continued)

Accrued Landfill Closure and Long-Term Care Costs

The County is required to recognize a liability equal to the estimated total current cost of closure and postclosure care for its landfill. 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, 2019, the County has accrued \$462,259 for such estimated costs for the Class III Landfill Trench 2. These closure costs have been accrued based on 28% of the landfill capacity used to date. The County has conducted studies to determine the costs of providing long-term care for its landfill. The results of these studies are reviewed by the Florida Department of Environmental Protection (FDEP).

The County's cost estimate is approximately \$5,584,854 to provide long-term care for a period of 12 years. These cost estimates may change due to inflation or deflation, or changes in applicable laws or regulations.

The County is required by the State of Florida to make an annual contribution, if necessary, to escrow to finance closure costs. The County is in compliance with these requirements, and, as of September 30, 2019, cash and investments of approximately \$2,651,747 are held in escrow for these purposes. These are reported as restricted assets on the statement of net position.

(7) Commitments and Contingencies:

Various suits and claims arising in the ordinary course of the County's operations, some of which involve substantial amounts, are pending against the County.

The ultimate effect of such litigation cannot be ascertained at this time. However, in the opinion of counsel for the County, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the County or the results of its operations, nor is it anticipated that any material amount will be paid for claims and judgments in the next fiscal year.

(8) Employees' Retirement Plans:

Florida Retirement System

Plan Description and Administration

The County participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the County's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(8) **Employees' Retirement Plans:** (Continued)

These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

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

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

**LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(8) **Employees' Retirement Plans:** (Continued)

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services
P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

Contributions

The County participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at September 30, 2019, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Through June 30, 2019	After June 30, 2019
Regular Class	8.26%	8.47%
Senior Management	24.06%	25.41%
Special Risk	24.50%	25.48%
Elected Official	48.70%	48.82%
DROP	14.03%	14.60%

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll.

For the plan year ended June 30, 2019, actual contributions made for employees participating in FRS and HIS were as follows:

Entity Contributions – FRS	\$ 2,663,000
Entity Contributions – HIS	305,026
Employee Contributions – FRS	551,252

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At September 30, 2019, the entity reported a liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	\$ 29,576,989
HIS	6,146,220
Total	\$ 35,723,209

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(8) **Employees' Retirement Plans:** (Continued)

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined. At June 30, 2019 and June 30, 2018, the County's proportionate share of the FRS and HIS net pension liabilities were as follows:

<u>Plan</u>	<u>2019</u>	<u>2018</u>
FRS	0.085883231%	0.084683157%
HIS	0.054930918%	0.054060612%

For the year ended June 30, 2019, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	\$ 7,436,860
HIS	536,275
Total	<u>\$ 7,973,135</u>

Deferred outflows/inflows related to pensions:

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>FRS</u>		<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,754,296	\$ (18,355)	\$ 74,653	\$ (7,526)
Changes of assumptions	7,596,643	-	711,674	(502,342)
Net different between projected and actual investment earnings	-	(1,636,353)	3,966	-
Change in proportionate share	919,119	(434,884)	312,812	(122,146)
Contributions subsequent to measurement date	690,569	-	76,082	-
	<u>\$ 10,960,627</u>	<u>\$ (2,089,592)</u>	<u>\$ 1,179,187</u>	<u>\$ (632,014)</u>

The above amounts for deferred outflows of resources for contributions related to pensions resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2020.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(8) Employees' Retirement Plans: (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

2020	\$ 2,535,696
2021	2,381,841
2022	2,114,923
2023	1,069,139
2024	389,542
Thereafter	160,416
Total	<u>\$ 8,651,557</u>

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.90%. This rate decreased from the prior year rate, which was 7.00%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine the total pension for the program. This rate decreased from the prior year rate, which was 3.87%. Mortality assumptions for both plans were based on the PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2019, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(8) **Employees' Retirement Plans:** (Continued)

Asset Class	Target Allocation	Annual Arithmetic Expected Rate of Return
Cash	1.0%	3.3%
Fixed income	18.0%	4.1%
Global equities	54.0%	8.0%
Real estate	10.0%	6.7%
Private equity	11.0%	11.2%
Strategic investments	6.0%	5.9%
Total	100.0%	

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the entity calculated using the current discount rates, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.90%	\$ 51,128,765	\$ 29,576,989	\$ 11,577,611
HIS	3.50%	7,016,225	6,146,220	5,421,604

(9) **Other Post-Employment Benefits (OPEB):**

Board of County Commissioners' OPEB Plan

Plan Description and Benefits Provided—The Board of County Commissioners' Other Post-Employment Benefit (OPEB) Plan is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the County is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. GASB No. 75 calls this the "implicit rate subsidy." This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

Plan Membership—At October 1, 2018, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	258
Inactive Employees	4
	262

**LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(9) Other Post-Employment Benefits (OPEB): (Continued)

Total OPEB Liability—The County’s total OPEB liability of \$1,703,000 was measured as of September 30, 2019, and was determined by an actuarial valuation at September 30, 2018.

Actuarial Assumptions and Other Inputs—The total OPEB liability at the September 30, 2019 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.50%
Discount rate	2.66%
Healthcare cost trend rate	6.5% reduced 0.5% each year until reaching ultimate trend rate of 4.5%
Retirees’ share of benefit-related costs	100.00%

The County does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the Bond Buyer 20-Bond GO index as of September 30, 2019.

Mortality rates were based on the RP-2014 Generational Mortality Table scaled using MP-17 and applied on a gender-specific basis.

Changes in the OPEB liability for the fiscal year ended September 30, 2019, were as follows:

	<u>Total OPEB Liability</u>
Balance at September 30, 2018	\$ 1,171,749
Changes for a year:	
Service cost	51,797
Interest	50,601
Changes of assumptions	455,245
Benefit payments – implicit rate subsidy	(25,979)
Net changes	<u>531,664</u>
Balance at September 30, 2019	<u>\$ 1,703,413</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the County calculated using the discount rate of 2.66%, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.66%) or 1% higher (3.66%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,085,000	\$ 1,703,413	\$ 1,408,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

The following presents the total OPEB liability of the County as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (3.50%) or 1% higher (5.50%) than the current healthcare cost trend rates (4.50%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,345,000	\$ 1,703,413	\$ 2,185,000

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(9) **Other Post-Employment Benefits (OPEB):** (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2019, the County recognized OPEB expense of \$123,000. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 425,575	\$ 118,387
Total	\$ 425,575	\$ 118,387

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	Amortization
2020	\$ 20,798
2021	20,798
2022	20,798
2023	20,798
2024	20,798
Thereafter	203,198

Sheriff's Office Plan

Plan Description and Benefits Provided—The Other Post-Employment Benefit (OPEB) Plan is a single-employer benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected, however, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. The older retirees actually have a higher cost which means the County is actually subsidizing the cost of the retiree coverage because it pays all or a significant portion of the premium on behalf of the active employee. GASB No. 75 calls this the “implicit rate subsidy.” This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

Retirees and their dependents are permitted to remain covered under the County’s respective health care plans as long as they pay a full premium applicable to the coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Post-Employment Benefit Plan does not issue a stand-alone report.

Plan Membership—At October 1, 2018, the date of the latest actuarial valuation, plan participation consisted of the following:

Active Employees	127
Inactive Employees	8
	135

Total OPEB Liability—The Office’s total OPEB liability of \$558,000 was measured as of September 30, 2019, and was determined by an actuarial valuation at October 1, 2018.

**LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(9) Other Post-Employment Benefits (OPEB): (Continued)

Actuarial Assumptions and Other Inputs—The total OPEB liability at the September 30, 2019 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	2.50%
Discount rate	3.83%
Healthcare cost trend rate	7.25%
Retirees' share of benefit-related costs	100.00%

The County does not have a dedicated Trust to pay retiree healthcare benefits. The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2019.

Mortality rates were based on the RP-2014 Combined Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2018.

Changes in the OPEB liability for the fiscal year ended September 30, 2019, were as follows:

	<u>Total OPEB Liability</u>
Balance at September 30, 2018	\$ 506,000
Changes for a year:	
Service cost	35,000
Interest	19,000
Differences between expected and actual experience	21,000
Contributions - employer	(6,000)
Changes of assumptions	-
Benefit payments – implicit rate subsidy	-
Other changes	(17,000)
Net changes	<u>52,000</u>
Balance at September 30, 2019	<u>\$ 558,000</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the County calculated using the discount rate of 3.83%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.83%) or 1% higher (4.83%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 609,000	\$ 558,000	\$ 512,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate:

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (7.25%) or 1% higher (6.25%) than the current healthcare cost trend rates (8.25%):

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 497,000	\$ 558,000	\$ 632,000

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(9) **Other Post-Employment Benefits (OPEB):** (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2019, the County recognized OPEB expense of \$65,000. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,000	\$ -
Changes of assumptions	-	15,000
Total	\$ 19,000	\$ 15,000

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	Amortization
2020	\$ -
2021	-
2022	-
2023	-
2024	-
Thereafter	4,000

(10) **Recent Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented, all of which may be delayed by one year based on the actions of the GASB at their meetings from May 6 to May 8, 2020. Management has not currently determined what, if any, impact implementation of the following will have on the County's financial statements:

- (a) GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. GASB 84 improves guidance regarding the identification and reporting of fiduciary activities. The provisions in GASB 84 are effective for periods beginning after December 15, 2018.
- (b) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after December 15, 2019.
- (c) GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, in August 2018. GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The provisions in GASB 90 are effective for periods beginning after December 15, 2018.

LEVY COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(10) **Recent Accounting Pronouncements:**

- (d) GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. GASB 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions in GASB 91 are effective for periods beginning after December 15, 2020.

(11) **Restatement of Beginning Equity:**

Effective in the current fiscal year, the County changed its availability period for governmental fund revenues other than property taxes to be 75 days. As part of this change, certain revenues are now being recorded based on a two-month accrual rather than one month. As a result, the fund balances of certain funds were restated as of September 30, 2018, related to this change in accounting policy. A similar adjustment has been made to the County's governmental activities as the related receivables and deferred inflows were not recorded at the fund level in the prior year.

The impact of the above restatements on the respective fund balance/net position amounts as of September 30, 2018, are as follows:

	<u>Fund Balance</u>			<u>Net Position</u>
	<u>General Fund</u>	<u>Road and Bridge Fund</u>	<u>Tourist Development Fund</u>	<u>Governmental Activities</u>
Net position / fund balance – 9/30/18, originally reported	\$ 10,213,190	\$ 1,757,925	\$ 197,358	\$ 59,989,753
Change in accounting policy – revenue cutoff	499,495	228,500	15,246	743,241
Net position / fund balance – 9/30/18, as restated	<u>\$ 10,712,685</u>	<u>\$ 1,986,425</u>	<u>\$ 212,604</u>	<u>\$ 60,732,994</u>

(12) **Subsequent Events:**

Subsequent to September 30, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending and investment markets have been substantially impacted. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the County as of May 8, 2020, management believes that a material impact on County's financial position and results of future operations is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

LEVY COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(UNAUDITED)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 20,494,189	\$ 20,494,189	\$ 20,026,101	\$ (468,088)
Permit, fees, and special assessments	360,000	360,000	437,023	77,023
Intergovernmental	5,986,725	5,986,725	6,770,999	784,274
Charges for services	2,933,222	3,148,331	3,792,513	644,182
Fines and forfeitures	5,300	5,300	4,677	(623)
Miscellaneous revenues	123,458	177,458	759,554	582,096
Total revenues	<u>29,902,894</u>	<u>30,172,003</u>	<u>31,790,867</u>	<u>1,618,864</u>
Expenditures				
Current:				
General government	9,107,156	9,114,615	8,585,206	529,409
Public safety	14,574,198	14,471,237	14,296,396	174,841
Physical environment	624,204	623,904	516,216	107,688
Economic environment	279,024	355,519	345,188	10,331
Transportation	-	-	-	-
Human services	1,909,897	1,898,007	1,788,842	109,165
Culture and recreation	575,320	595,320	559,338	35,982
Court related	540,348	547,393	453,524	93,869
Capital outlay	115,389	612,434	569,560	42,874
Debt service:				
Principal	164,775	164,775	164,775	-
Interest	8,602	8,602	8,602	-
Total expenditures	<u>27,898,913</u>	<u>28,391,806</u>	<u>27,287,647</u>	<u>1,104,159</u>
Excess (deficiency) of revenues over expenditures	<u>2,003,981</u>	<u>1,780,197</u>	<u>4,503,220</u>	<u>2,723,023</u>
Other financing sources (uses)				
Contributions from joint venture	-	-	-	-
Transfers in	-	-	136,310	136,310
Transfers out	(1,921,327)	(3,324,738)	(3,297,981)	26,757
Article V reversion	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	<u>(1,921,327)</u>	<u>(3,324,738)</u>	<u>(3,161,671)</u>	<u>163,067</u>
Net change in fund balance	<u>82,654</u>	<u>(1,544,541)</u>	<u>1,341,549</u>	<u>2,886,090</u>
Fund balance, beginning of year, as restated	10,712,685	10,712,685	10,712,685	-
Fund balance, end of year	<u>\$ 10,795,339</u>	<u>\$ 9,168,144</u>	<u>\$ 12,054,234</u>	<u>\$ 2,886,090</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

LEVY COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD AND BRIDGE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(UNAUDITED)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,211,000	\$ 2,211,000	\$ 2,145,482	\$ (65,518)
Permit, fees, and special assessments	11,000	11,000	11,400	400
Intergovernmental	5,314,533	5,609,258	3,477,709	(2,131,549)
Miscellaneous revenues	777,000	777,000	885,431	108,431
Total revenues	<u>8,313,533</u>	<u>8,608,258</u>	<u>6,520,022</u>	<u>(2,088,236)</u>
Expenditures				
Current:				
Transportation	6,575,500	6,045,900	5,227,813	818,087
Capital outlay	3,117,458	3,471,783	1,209,547	2,262,236
Debt service:				
Principal	185,237	177,637	165,899	11,738
Interest	19,338	21,938	19,338	2,600
Total expenditures	<u>9,897,533</u>	<u>9,717,258</u>	<u>6,622,597</u>	<u>3,094,661</u>
Excess (deficiency) of revenues over expenditures	<u>(1,584,000)</u>	<u>(1,109,000)</u>	<u>(102,575)</u>	<u>1,006,425</u>
Other financing sources (uses)				
Transfers in	700,000	700,000	932,185	232,185
Transfers out	-	(925,000)	(925,000)	-
Proceeds from sale of capital assets	-	-	5,681	5,681
Total other financing sources (uses)	<u>700,000</u>	<u>(225,000)</u>	<u>12,866</u>	<u>237,866</u>
Net change in fund balance	<u>(884,000)</u>	<u>(1,334,000)</u>	<u>(89,709)</u>	<u>1,244,291</u>
Fund balance, beginning of year, as restated	1,986,425	1,986,425	1,986,425	-
Fund balance, end of year	<u>\$ 1,102,425</u>	<u>\$ 652,425</u>	<u>\$ 1,896,716</u>	<u>\$ 1,244,291</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

LEVY COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(UNAUDITED)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	\$ 2,882,295	\$ 2,882,295	\$ 2,735,794	\$ (146,501)
Permit, fees, and special assessments	-	57,491	55,282	(2,209)
Charges for services	2,307,000	2,307,000	2,525,142	218,142
Miscellaneous revenues	2,200	2,200	26,620	24,420
Total revenues	<u>5,191,495</u>	<u>5,248,986</u>	<u>5,342,838</u>	<u>93,852</u>
Expenditures				
Current:				
Public safety	5,535,309	5,529,801	5,309,575	220,226
Capital outlay	530,000	732,999	69,301	663,698
Total expenditures	<u>6,065,309</u>	<u>6,262,800</u>	<u>5,378,876</u>	<u>883,924</u>
Net change in fund balance	<u>(873,814)</u>	<u>(1,013,814)</u>	<u>(36,038)</u>	<u>977,776</u>
Fund balance, beginning of year	1,801,350	1,801,350	1,801,350	-
Fund balance, end of year	<u><u>\$ 927,536</u></u>	<u><u>\$ 787,536</u></u>	<u><u>\$ 1,765,312</u></u>	<u><u>\$ 977,776</u></u>

The accompanying notes to required supplementary information are an integral part of this schedule.

LEVY COUNTY, FLORIDA
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
SEPTEMBER 30, 2019
(UNAUDITED)

Note to Budgetary Comparison Schedules:

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

LEVY COUNTY, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
(UNAUDITED)

	2019	2018
County and All Officers (Except Sheriff) Plan		
Total OPEB Liability		
Service cost	\$ 51,797	\$ 49,719
Interest	50,601	52,895
Difference between expected and actual experience	-	(136,131)
Changes of assumptions	455,245	-
Benefit payments - implicit rate subsidy	(25,979)	(20,947)
Other changes	-	-
Net change in total OPEB liability	531,664	(54,464)
Total OPEB liability - beginning of year	1,171,749	1,226,213
Total OPEB liability - end of year	\$ 1,703,413	\$ 1,171,749
Covered payroll	\$ 9,942,000	\$ 9,652,280
Total OPEB liability as a percentage of covered payroll	17.13%	12.14%
Sheriff Plan		
Total OPEB Liability		
Service cost	\$ 35,000	\$ 33,000
Interest	19,000	18,000
Difference between expected and actual experience	21,000	-
Changes of assumptions	-	-
Benefit payments - implicit rate subsidy	(6,000)	(30,000)
Other changes	(17,000)	-
Net change in total OPEB liability	52,000	21,000
Total OPEB liability - beginning of year	506,000	485,000
Total OPEB liability - end of year	\$ 558,000	\$ 506,000
Covered payroll	\$ 5,653,000	\$ 5,653,000
Total OPEB liability as a percentage of covered payroll	9.87%	8.95%

Notes to Schedule:

County and All Officers (Except Sheriff) Plan

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount

Discount rate	2.66%	3.63%
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Sheriff Plan

Changes of assumptions. Changes of assumptions and other changes reflect the effects of changes in the discount

Discount rate	3.83%	3.50%
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*10 years of data will be presented as it becomes available.

LEVY COUNTY, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS
(UNAUDITED)

	As of the Plan Year Ended June 30,				
	2019	2018	2017	2016	2015
Florida Retirement System (FRS)					
Proportion of the net pension liability	0.085883231%	0.084683157%	0.085023408%	0.086861752%	0.080476893%
Proportionate share of the net pension liability	\$ 29,576,989	\$ 25,507,006	\$ 25,157,986	\$ 21,932,661	\$ 10,394,670
Covered payroll	18,375,064	17,767,105	17,122,760	15,988,347	14,944,195
Proportionate share of the net pension liability as a percentage of covered payroll	160.96%	143.56%	146.93%	137.18%	69.56%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%
Health Insurance Subsidy Program (HIS)					
Proportion of the net pension liability	0.054930918%	0.054060612%	0.054061523%	0.054435820%	0.052796169%
Proportionate share of the net pension liability	\$ 6,146,220	\$ 5,721,836	\$ 5,780,508	\$ 6,344,269	\$ 5,384,379
Covered payroll	18,375,064	17,767,105	17,122,760	15,988,347	14,944,195
Proportionate share of the net pension liability as a percentage of covered payroll	33.45%	32.20%	33.76%	39.68%	36.03%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

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

**LEVY COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS
(UNAUDITED)**

	As of the Plan Year Ended June 30,				
	2019	2018	2017	2016	2015
Florida Retirement System (FRS)					
Contractually required contribution	\$ 2,663,000	\$ 2,207,043	\$ 2,250,503	\$ 2,198,265	\$ 1,942,425
Contributions in relation to the contractually required contribution	(2,663,000)	(2,207,043)	(2,250,503)	(2,198,265)	(1,942,425)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,375,064	\$ 17,767,105	\$ 17,122,760	\$ 15,988,347	\$ 14,944,195
Contributions as a percentage of covered payroll	14.49%	12.42%	13.14%	13.75%	13.00%
Health Insurance Subsidy Program (HIS)					
Contractually required contribution	\$ 305,026	\$ 294,934	\$ 284,238	\$ 265,407	\$ 188,297
Contributions in relation to the contractually required contribution	(305,026)	(294,934)	(284,238)	(265,407)	(188,297)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,375,064	\$ 17,767,105	\$ 17,122,760	\$ 15,988,347	\$ 14,944,195
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.26%

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

SUPPLEMENTAL INFORMATION

**LEVY COUNTY, FLORIDA
COMBINING BALANCE SHEET
BOARD AND OFFICER GENERAL FUNDS
SEPTEMBER 30, 2019**

	Board of County Commissioners	Clerk of Circuit Court	Sheriff	Tax Collector	Property Appraiser	Supervisor of Elections	Subtotals	Interfund Eliminations	Totals
ASSETS									
Cash and cash equivalents	\$ 806,479	\$ 229,516	\$ 773,673	\$ 13,691	\$ 30,889	\$ 6,478	\$ 1,860,726	\$ -	\$ 1,860,726
Investments	10,299,752	-	-	-	-	-	10,299,752	-	10,299,752
Accounts receivable	3,102	-	69,693	-	-	-	72,795	-	72,795
Due from other governments	1,152,395	10,642	28,686	-	-	-	1,191,723	-	1,191,723
Prepaid items	320	-	-	-	-	-	320	-	320
Due from consitutional officers	400,172	359	-	-	-	-	400,531	(400,531)	-
Due from other funds	35,231	18,175	14,462	67,286	-	-	135,154	152,723	287,877
Total assets	<u>\$ 12,697,451</u>	<u>\$ 258,692</u>	<u>\$ 886,514</u>	<u>\$ 80,977</u>	<u>\$ 30,889</u>	<u>\$ 6,478</u>	<u>\$ 13,961,001</u>	<u>\$ (247,808)</u>	<u>\$ 13,713,193</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable and accrued expenses	\$ 469,923	\$ 62,994	\$ 732,332	\$ 64,687	\$ 1,113	\$ 4,411	\$ 1,335,460	\$ -	\$ 1,335,460
Deposits	-	-	-	-	-	-	-	-	-
Due to other governments	227,039	-	-	206	784	-	228,029	-	228,029
Due to Board of County Commissioners	220	118,187	154,182	16,084	28,992	2,067	319,732	(319,732)	-
Unearned revenue	3,769	-	-	-	-	-	3,769	-	3,769
Due to other funds	19,777	-	-	-	-	-	19,777	71,924	91,701
Total liabilities	<u>720,728</u>	<u>181,181</u>	<u>886,514</u>	<u>80,977</u>	<u>30,889</u>	<u>6,478</u>	<u>1,906,767</u>	<u>(247,808)</u>	<u>1,658,959</u>
Fund Balances									
Nonspendable:									
Prepays	320	-	-	-	-	-	320	-	320
Assigned to:									
Court costs	-	77,511	-	-	-	-	77,511	-	77,511
Subsequent year's budget	1,700,000	-	-	-	-	-	1,700,000	-	1,700,000
Unassigned	10,276,403	-	-	-	-	-	10,276,403	-	10,276,403
Total fund balances	<u>11,976,723</u>	<u>77,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,054,234</u>	<u>-</u>	<u>12,054,234</u>
Total Liabilities and Fund Balances	<u>\$ 12,697,451</u>	<u>\$ 258,692</u>	<u>\$ 886,514</u>	<u>\$ 80,977</u>	<u>\$ 30,889</u>	<u>\$ 6,478</u>	<u>\$ 13,961,001</u>	<u>\$ (247,808)</u>	<u>\$ 13,713,193</u>

See accompanying notes to financial statements.

LEVY COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BOARD AND OFFICER GENERAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Board of County Commissioners	Clerk of Circuit Court	Sheriff	Tax Collector	Property Appraiser	Supervisor of Elections	Subtotals	Interfund Eliminations	Totals
Revenues									
Taxes	\$ 20,026,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,026,101	\$ -	\$ 20,026,101
Permit, fees, and special assessments	437,023	-	-	-	-	-	437,023	-	437,023
Intergovernmental	6,634,383	64,945	66,091	-	-	5,580	6,770,999	-	6,770,999
Charges for services	1,433,013	217,148	664,542	1,449,589	28,221	-	3,792,513	-	3,792,513
Fines and forfeitures	4,677	-	-	-	-	-	4,677	-	4,677
Miscellaneous revenues	670,954	3,167	83,047	243	83	2,060	759,554	-	759,554
Total revenues	<u>29,206,151</u>	<u>285,260</u>	<u>813,680</u>	<u>1,449,832</u>	<u>28,304</u>	<u>7,640</u>	<u>31,790,867</u>	<u>-</u>	<u>31,790,867</u>
Expenditures									
Current:									
General government	4,858,122	950,552	-	1,259,020	996,424	521,088	8,585,206	-	8,585,206
Public safety	1,191,929	-	13,104,467	-	-	-	14,296,396	-	14,296,396
Physical environment	516,216	-	-	-	-	-	516,216	-	516,216
Economic environment	345,188	-	-	-	-	-	345,188	-	345,188
Human services	1,788,842	-	-	-	-	-	1,788,842	-	1,788,842
Culture and recreation	559,338	-	-	-	-	-	559,338	-	559,338
Court related	144,695	58,576	250,253	-	-	-	453,524	-	453,524
Capital outlay	53,554	-	227,165	174,728	23,081	91,032	569,560	-	569,560
Debt service:									
Principal	-	-	164,775	-	-	-	164,775	-	164,775
Interest	-	-	8,602	-	-	-	8,602	-	8,602
Total expenditures	<u>9,457,884</u>	<u>1,009,128</u>	<u>13,755,262</u>	<u>1,433,748</u>	<u>1,019,505</u>	<u>612,120</u>	<u>27,287,647</u>	<u>-</u>	<u>27,287,647</u>
Excess (deficiency) of revenues over expenditures	<u>19,748,267</u>	<u>(723,868)</u>	<u>(12,941,582)</u>	<u>16,084</u>	<u>(991,201)</u>	<u>(604,480)</u>	<u>4,503,220</u>	<u>-</u>	<u>4,503,220</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	136,310	136,310
Transfers out	(3,289,738)	-	-	-	-	-	(3,289,738)	(8,243)	(3,297,981)
Appropriations to constitutional officers	(15,363,752)	842,000	13,067,369	-	1,020,193	570,500	136,310	(136,310)	-
Reversions from constitutional officers	282,683	(118,132)	(125,787)	(16,084)	(28,992)	(1,931)	(8,243)	8,243	-
Total other financing sources (uses)	<u>(18,370,807)</u>	<u>723,868</u>	<u>12,941,582</u>	<u>(16,084)</u>	<u>991,201</u>	<u>568,569</u>	<u>(3,161,671)</u>	<u>-</u>	<u>(3,161,671)</u>
Net change in fund balances	<u>1,377,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,911)</u>	<u>1,341,549</u>	<u>-</u>	<u>1,341,549</u>
Fund balances, beginning of year, as restated	10,599,263	77,511	-	-	-	35,911	10,712,685	-	10,712,685
Fund balances, end of year	<u>\$ 11,976,723</u>	<u>\$ 77,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,054,234</u>	<u>\$ -</u>	<u>\$ 12,054,234</u>

See accompanying notes to financial statements.

**LEVY COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
(CONTINUED)**

	<u>SHIP</u>	<u>Mosquito Control</u>	<u>Technology and Crime Prevention</u>	<u>Public Transit</u>	<u>E911</u>	<u>Court Facilities</u>	<u>Grants</u>	<u>Fire Control</u>	<u>Judicial Grant</u>	<u>Tourist Development</u>
ASSETS										
Cash and cash equivalents	\$ 504,267	\$ 31,170	\$ 64,749	\$ 198,697	\$ 76,175	\$ 129,384	\$ 208,954	\$ 846,187	\$ 1,334,116	\$ 124,625
Investments	-	-	-	-	-	607,820	-	507,238	-	102,634
Accounts receivable	-	-	-	5,372	-	-	-	-	-	-
Due from other governments	-	-	-	209,895	14,431	2,945	154,800	400	-	29,918
Due from other funds	-	-	6,440	-	7,703	6,136	1,602	16,983	-	-
Total assets	<u>\$ 504,267</u>	<u>\$ 31,170</u>	<u>\$ 71,189</u>	<u>\$ 413,964</u>	<u>\$ 98,309</u>	<u>\$ 746,285</u>	<u>\$ 365,356</u>	<u>\$ 1,370,808</u>	<u>\$ 1,334,116</u>	<u>\$ 257,177</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES										
Liabilities										
Accounts payable and accrued expenses	\$ 30,000	\$ 705	\$ -	\$ 42,411	\$ -	\$ 10,963	\$ 41,617	\$ 39,644	\$ -	\$ 13,061
Deposits	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	10,220	126	-	433	167	219,123	-	-
Unearned revenue	-	-	-	-	-	-	15,000	-	-	-
Due to other funds	35,231	3,231	-	22,252	-	107	2,193	9,392	-	323
Total liabilities	<u>65,231</u>	<u>3,936</u>	<u>10,220</u>	<u>64,789</u>	<u>-</u>	<u>11,503</u>	<u>58,977</u>	<u>268,159</u>	<u>-</u>	<u>13,384</u>
Deferred inflows of resources										
Unavailable revenues	-	-	-	53,440	-	-	54,473	-	-	-
Fund balances										
Restricted for:										
Law enforcement	-	-	60,969	-	98,309	-	-	-	-	-
Fire and EMS	-	-	-	-	-	-	-	345,976	-	-
Roads and transportation	-	-	-	-	-	-	-	-	-	-
Economic environment	439,036	-	-	-	-	-	-	-	-	243,793
Mosquito control	-	27,234	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	179,691	-	-	-
Court costs	-	-	-	-	-	734,782	-	-	1,334,116	-
Assigned to:										
Law enforcement	-	-	-	-	-	-	72,215	-	-	-
Fire and EMS	-	-	-	-	-	-	-	756,673	-	-
Utility system	-	-	-	-	-	-	-	-	-	-
Roads and transportation	-	-	-	295,735	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>439,036</u>	<u>27,234</u>	<u>60,969</u>	<u>295,735</u>	<u>98,309</u>	<u>734,782</u>	<u>251,906</u>	<u>1,102,649</u>	<u>1,334,116</u>	<u>243,793</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 504,267</u>	<u>\$ 31,170</u>	<u>\$ 71,189</u>	<u>\$ 413,964</u>	<u>\$ 98,309</u>	<u>\$ 746,285</u>	<u>\$ 365,356</u>	<u>\$ 1,370,808</u>	<u>\$ 1,334,116</u>	<u>\$ 257,177</u>

See accompanying notes to financial statements.

**LEVY COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
(CONTINUED)**

	Special Revenue										
	Utilities	Law Enforcement Trust	Intergovernmental Communications	Additional Court Costs	EMS Impact Fees	Parks Impact Fees	Road Impact Fees	Restore Act Deepwater Horizon Fund	MTSU	Clerk Records Modernization	Clerk Fines and Forfeitures
ASSETS											
Cash and cash equivalents	\$ 62,781	\$ 115,865	\$ 19,648	\$ 75,249	\$ 49,010	\$ 172,980	\$ 1,630,846	\$ 2	\$ 765,334	\$ 604,218	\$ 471,372
Investments	-	-	-	-	-	-	-	-	-	5,575	-
Accounts receivable	5,162	-	-	-	-	-	-	-	-	-	6
Due from other governments	36,467	-	-	-	156	-	-	-	-	-	180
Due from other funds	-	2,056	1,713	3,142	-	-	-	-	2,490	8,253	693
Total assets	<u>\$ 104,410</u>	<u>\$ 117,921</u>	<u>\$ 21,361</u>	<u>\$ 78,391</u>	<u>\$ 49,166</u>	<u>\$ 172,980</u>	<u>\$ 1,630,846</u>	<u>\$ 2</u>	<u>\$ 767,824</u>	<u>\$ 618,046</u>	<u>\$ 472,251</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES											
Liabilities											
Accounts payable and accrued expenses	\$ 18,087	\$ -	\$ -	\$ 2,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,550
Deposits	8,183	-	-	-	-	-	-	-	-	-	58,096
Due to other governments	-	-	-	2,291	-	-	-	-	-	-	373,484
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	2,064	-	-	-	-	-	-	-	-	-	16,587
Total liabilities	<u>28,334</u>	<u>-</u>	<u>-</u>	<u>5,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,717</u>
Deferred inflows of resources											
Unavailable revenues	-	-	-	-	-	-	-	-	-	-	-
Fund balances											
Restricted for:											
Law enforcement	-	117,921	-	-	-	-	-	-	-	-	-
Fire and EMS	-	-	-	-	49,166	-	-	-	-	-	-
Roads and transportation	-	-	-	-	-	-	1,630,846	2	767,824	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-
Mosquito control	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	172,980	-	-	-	-	-
Court costs	-	-	-	73,219	-	-	-	-	-	618,046	534
Assigned to:											
Law enforcement	-	-	21,361	-	-	-	-	-	-	-	-
Fire and EMS	-	-	-	-	-	-	-	-	-	-	-
Utility system	76,076	-	-	-	-	-	-	-	-	-	-
Roads and transportation	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>76,076</u>	<u>117,921</u>	<u>21,361</u>	<u>73,219</u>	<u>49,166</u>	<u>172,980</u>	<u>1,630,846</u>	<u>2</u>	<u>767,824</u>	<u>618,046</u>	<u>534</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 104,410</u>	<u>\$ 117,921</u>	<u>\$ 21,361</u>	<u>\$ 78,391</u>	<u>\$ 49,166</u>	<u>\$ 172,980</u>	<u>\$ 1,630,846</u>	<u>\$ 2</u>	<u>\$ 767,824</u>	<u>\$ 618,046</u>	<u>\$ 472,251</u>

See accompanying notes to financial statements.

LEVY COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
(CONTINUED)

				Debt Service	Capital Projects		Total
	Sheriff Federal Forfeiture	Sheriff Inmate Welfare	Sheriff Donations Fund	Debt Service	Capital Projects	Road Improvement & Restoration	
ASSETS							
Cash and cash equivalents	\$ 24,391	\$ 162,189	\$ 8,008	\$ 366,899	\$ 1,021,424	\$ 585,128	\$ 9,653,668
Investments	-	-	-	-	1,511,370	-	2,734,637
Accounts receivable	-	17,759	-	-	-	-	28,299
Due from other governments	-	-	-	-	-	524,618	973,810
Due from other funds	-	-	-	-	-	-	57,211
Total assets	<u>\$ 24,391</u>	<u>\$ 179,948</u>	<u>\$ 8,008</u>	<u>\$ 366,899</u>	<u>\$ 2,532,794</u>	<u>\$ 1,109,746</u>	<u>\$ 13,447,625</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 163	\$ -	\$ -	\$ 24,182	\$ 186,246	\$ 433,510
Deposits	-	-	-	-	-	-	66,279
Due to other governments	-	-	-	-	-	-	605,844
Unearned revenue	-	-	-	-	-	-	15,000
Due to other funds	-	14,502	-	-	-	-	105,882
Total liabilities	<u>-</u>	<u>14,665</u>	<u>-</u>	<u>-</u>	<u>24,182</u>	<u>186,246</u>	<u>1,226,515</u>
Deferred inflows of resources							
Unavailable revenues	-	-	-	-	-	-	107,913
Fund balances							
Restricted for:							
Law enforcement	24,391	165,283	8,008	-	-	-	474,881
Fire and EMS	-	-	-	-	-	-	395,142
Roads and transportation	-	-	-	-	-	-	2,398,672
Economic environment	-	-	-	-	-	-	682,829
Mosquito control	-	-	-	-	-	-	27,234
Parks and recreation	-	-	-	-	-	-	352,671
Court costs	-	-	-	-	-	-	2,760,697
Assigned to:							
Law enforcement	-	-	-	-	-	-	93,576
Fire and EMS	-	-	-	-	-	-	756,673
Utility system	-	-	-	-	-	-	76,076
Roads and transportation	-	-	-	-	-	-	295,735
Debt service	-	-	-	366,899	-	-	366,899
Capital improvements	-	-	-	-	2,508,612	923,500	3,432,112
Total fund balances	<u>24,391</u>	<u>165,283</u>	<u>8,008</u>	<u>366,899</u>	<u>2,508,612</u>	<u>923,500</u>	<u>12,113,197</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 24,391</u>	<u>\$ 179,948</u>	<u>\$ 8,008</u>	<u>\$ 366,899</u>	<u>\$ 2,532,794</u>	<u>\$ 1,109,746</u>	<u>\$ 13,447,625</u>

See accompanying notes to financial statements.

LEVY COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
(CONTINUED)

	SHIP	Mosquito Control	Technology and Crime Prevention	Public Transit	E911	Court Facilities	Grants	Fire Control	Judicial Grant	Tourist Development
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,462
Permit, fees, and special assessments	-	-	-	-	-	-	20,806	2,428,757	-	-
Intergovernmental	350,000	34,481	-	577,669	174,005	10,206	568,212	1,200	-	-
Charges for services	-	-	64,640	212,522	-	93,482	30,817	3,671	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Miscellaneous revenues	1,501	10	30	906	1,056	8,053	-	60,772	749	2,501
Total revenues	351,501	34,491	64,670	791,097	175,061	111,741	619,835	2,494,400	749	240,963
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	55,608	-	245,074	2,148,424	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-
Economic environment	410,639	-	-	-	-	-	-	-	-	209,774
Transportation	-	-	-	811,006	-	-	88,109	-	-	-
Human services	-	21,044	-	-	-	-	30,818	-	-	-
Culture and recreation	-	-	-	-	-	-	229,492	-	-	-
Court related	-	-	41,088	-	-	141,945	-	-	-	-
Capital outlay	-	16,802	-	-	-	-	2,405	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	410,639	37,846	41,088	811,006	55,608	141,945	595,898	2,148,424	-	209,774
Excess (deficiency) of revenues over expenditures	(59,138)	(3,355)	23,582	(19,909)	119,453	(30,204)	23,937	345,976	749	31,189
Other financing sources (uses)										
Transfers in	-	-	-	50,000	7,703	-	-	193,327	-	-
Transfers out	-	-	-	-	(180,677)	-	-	-	-	-
Other external reversion	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	50,000	(172,974)	-	-	193,327	-	-
Net change in fund balance	(59,138)	(3,355)	23,582	30,091	(53,521)	(30,204)	23,937	539,303	749	31,189
Fund balance, beginning of year, as restated	498,174	30,589	37,387	265,644	151,830	764,986	227,969	563,346	1,333,367	212,604
Fund balance, end of year	\$ 439,036	\$ 27,234	\$ 60,969	\$ 295,735	\$ 98,309	\$ 734,782	\$ 251,906	\$ 1,102,649	\$ 1,334,116	\$ 243,793

See accompanying notes to financial statements.

LEVY COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
(CONTINUED)

	Special Revenue									
	Utilities	Law Enforcement Trust	Intergovernmental Communications	Additional Court Costs	EMS Impact Fees	Parks Impact Fees	Road Impact Fees	Restore Act Deepwater Horizon Fund	MTSU	Clerk Records Modernization
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Permit, fees, and special assessments	-	-	-	-	12,564	32,445	305,709	-	292,639	-
Intergovernmental	122,250	-	-	-	-	-	-	-	-	-
Charges for services	72,272	-	-	36,572	-	-	-	-	-	83,202
Fines and forfeitures	-	25,406	25,636	-	-	-	-	-	-	-
Miscellaneous revenues	21	51	2	56	24	90	830	-	-	374
Total revenues	<u>194,543</u>	<u>25,457</u>	<u>25,638</u>	<u>36,628</u>	<u>12,588</u>	<u>32,535</u>	<u>306,539</u>	<u>-</u>	<u>292,639</u>	<u>83,576</u>
Expenditures										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	1,799	40,424	-	-	-	-	-	-	-
Physical environment	262,284	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	212,412	-
Human services	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Court related	-	-	-	63,511	-	-	-	-	-	57,334
Capital outlay	18,861	-	-	-	-	5,528	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>281,145</u>	<u>1,799</u>	<u>40,424</u>	<u>63,511</u>	<u>-</u>	<u>5,528</u>	<u>-</u>	<u>-</u>	<u>212,412</u>	<u>57,334</u>
Excess (deficiency) of revenues over expenditures	<u>(86,602)</u>	<u>23,658</u>	<u>(14,786)</u>	<u>(26,883)</u>	<u>12,588</u>	<u>27,007</u>	<u>306,539</u>	<u>-</u>	<u>80,227</u>	<u>26,242</u>
Other financing sources (uses)										
Transfers in	90,000	-	25,000	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Other external reversion	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>90,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>3,398</u>	<u>23,658</u>	<u>10,214</u>	<u>(26,883)</u>	<u>12,588</u>	<u>27,007</u>	<u>306,539</u>	<u>-</u>	<u>80,227</u>	<u>26,242</u>
Fund balance, beginning of year, as restated	<u>72,678</u>	<u>94,263</u>	<u>11,147</u>	<u>100,102</u>	<u>36,578</u>	<u>145,973</u>	<u>1,324,307</u>	<u>2</u>	<u>687,597</u>	<u>591,804</u>
Fund balance, end of year	<u>\$ 76,076</u>	<u>\$ 117,921</u>	<u>\$ 21,361</u>	<u>\$ 73,219</u>	<u>\$ 49,166</u>	<u>\$ 172,980</u>	<u>\$ 1,630,846</u>	<u>\$ 2</u>	<u>\$ 767,824</u>	<u>\$ 618,046</u>

See accompanying notes to financial statements.

LEVY COUNTY, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019
(CONTINUED)

	Clerk Fines and Forfeitures	Sheriff Federal Forfeiture	Sheriff Inmate Welfare	Sheriff Donations Fund	Debt Service	Capital Projects		Total
					Debt Service	Capital Projects	Road Improvement & Restoration	
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,462
Permit, fees, and special assessments	-	-	-	-	-	-	-	3,092,920
Intergovernmental	447,887	-	-	-	600,000	-	587,335	3,473,245
Charges for services	517,686	-	183,094	-	-	-	-	1,297,958
Fines and forfeitures	173,224	8,245	-	-	-	-	-	232,511
Miscellaneous revenues	6,521	14	956	3,670	332	45,047	-	133,566
Total revenues	<u>1,145,318</u>	<u>8,259</u>	<u>184,050</u>	<u>3,670</u>	<u>600,332</u>	<u>45,047</u>	<u>587,335</u>	<u>8,468,662</u>
Expenditures								
Current:								
General government	-	-	-	-	2,500	302,237	-	304,737
Public safety	-	14,751	113,718	-	-	8,358	-	2,628,156
Physical environment	-	-	-	-	-	-	-	262,284
Economic environment	-	-	-	-	-	-	-	620,413
Transportation	-	-	-	-	-	-	94,592	1,206,119
Human services	-	-	-	-	-	9,372	-	61,234
Culture and recreation	-	-	-	-	-	-	-	229,492
Court related	894,144	-	-	-	-	-	-	1,198,022
Capital outlay	-	-	-	-	-	67,344	494,243	605,183
Debt service:								
Principal	-	-	-	-	520,000	-	-	520,000
Interest	-	-	-	-	67,348	-	-	67,348
Total expenditures	<u>894,144</u>	<u>14,751</u>	<u>113,718</u>	<u>-</u>	<u>589,848</u>	<u>387,311</u>	<u>588,835</u>	<u>7,702,988</u>
Excess (deficiency) of revenues over expenditures	<u>251,174</u>	<u>(6,492)</u>	<u>70,332</u>	<u>3,670</u>	<u>10,484</u>	<u>(342,264)</u>	<u>(1,500)</u>	<u>765,674</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	-	1,999,766	925,000	3,290,796
Transfers out	-	-	-	-	-	-	-	(180,677)
Other external reversion	(256,198)	-	-	-	-	-	-	(256,198)
Total other financing sources (uses)	<u>(256,198)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,999,766</u>	<u>925,000</u>	<u>2,853,921</u>
Net change in fund balance	<u>(5,024)</u>	<u>(6,492)</u>	<u>70,332</u>	<u>3,670</u>	<u>10,484</u>	<u>1,657,502</u>	<u>923,500</u>	<u>3,619,595</u>
Fund balance, beginning of year, as restated	<u>5,558</u>	<u>30,883</u>	<u>94,951</u>	<u>4,338</u>	<u>356,415</u>	<u>851,110</u>	<u>-</u>	<u>8,493,602</u>
Fund balance, end of year	<u>\$ 534</u>	<u>\$ 24,391</u>	<u>\$ 165,283</u>	<u>\$ 8,008</u>	<u>\$ 366,899</u>	<u>\$ 2,508,612</u>	<u>\$ 923,500</u>	<u>\$ 12,113,197</u>

See accompanying notes to financial statements.

LEVY COUNTY, FLORIDA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019

	<u>Clerk of Circuit Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and equivalents	\$ 1,304,036	\$ 17,168	\$ 1,713,698	\$ 3,034,902
Receivables	-	-	1,075	1,075
Total assets	<u>\$ 1,304,036</u>	<u>\$ 17,168</u>	<u>\$ 1,714,773</u>	<u>\$ 3,035,977</u>
LIABILITIES				
Assets held for others	\$ 1,271,092	\$ 2,900	\$ 1,540,779	\$ 2,814,771
Due to other funds	32,944	14,268	173,994	221,206
Total liabilities	<u>\$ 1,304,036</u>	<u>\$ 17,168</u>	<u>\$ 1,714,773</u>	<u>\$ 3,035,977</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

LEVY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Federal/State Grantor/Pass Through Grantor/Program Title	CFDA/ CSFA Number	Contract Number	Expenditures
FEDERAL AGENCY			
Department of the Interior			
Direct:			
Payments in Lieu of Taxes	15.226	N/A	\$ 164,529
Total Department of the Interior			<u><u>164,529</u></u>
Department of Justice			
Passed through the Florida Attorney General:			
Crime Victim Assistance	16.575	VOCA-2018-LCSO-00181	64,399
Total Department of Justice			<u><u>64,399</u></u>
Department of Transportation			
Passed through the Florida Department of Transportation:			
Highway Planning & Construction	20.205	GJ056	313
Highway Planning & Construction	20.205	G1511	494,468
Highway Planning & Construction	20.205	G1697	124
Total Highway Planning and Construction Cluster			<u>494,905</u>
Direct:			
(Section 5311) - Formula Grants for Other than Urbanized Areas	20.509	G1930	114,442
(Section 5311) - Formula Grants for Other than Urbanized Areas	20.509	G0V28	101,435
			<u>215,877</u>
Direct:			
(Section 5339) Bus and Bus Facilities Program	20.513	439255-2-94-14	138,830
Total Transit Services Cluster			<u>138,830</u>
Direct:			
(Section 5339) Bus and Bus Facilities Program	20.526	439255-2-94-15	77,701
Total Federal Transit Program Cluster			<u>77,701</u>
Total Department of Transportation			<u><u>927,313</u></u>
Election Assistance Commission			
Passed through State of Florida, Department of State, Division of Elections			
Helping America Vote Act Requirements Payments	90.401	9E244	5,580
Total Election Assistance Commission			<u><u>5,580</u></u>
Department of Homeland Security			
Passed through Department of Economic Opportunity			
Emergency Management Performance Grant	97.042	G0025	18,679
Emergency Management Performance Grant	97.042	19-FG-AF-05-48-01-065	41,603
Total Department of Homeland Security			<u><u>60,282</u></u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,222,103</u></u>

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

LEVY COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019
(CONTINUED)

Federal/State Grantor/Pass Through Grantor/Program Title	CFDA/ CSFA Number	Contract Number	Expenditures
STATE AGENCY			
Executive Office of the Governor			
Direct:			
Emergency Management Programs	31.063	19-BG-21-05-48-01-013	\$ 77,407
Emergency Management Programs	31.063	A0027	34,551
Emergency Management Hazmat Grant	31.063	T0035	1,434
Total Executive Office of the Governor			<u>113,392</u>
Florida Department of Environmental Protection			
Direct:			
Small County Consolidated Grants	37.012	SC821	54,098
Total Florida Department of Environmental Protection			<u>54,098</u>
Florida Department of Agriculture and Consumer Services			
Direct:			
Mosquito Control State Aid	42.003	LEVY	37,847
Total Florida Department of Agriculture and Consumer Services			<u>37,847</u>
Department of State, Secretary of State			
Direct:			
State Aid to Libraries	45.030	18-ST-52	111,112
State Aid to Libraries	45.030	17-ST-52	34,948
Total State Aid to Libraries			146,060
Library Services and Technology Act Grant	45.310	18-LSTA-B-08	17,000
Total Department of State			<u>163,060</u>
Florida Department of Transportation			
Direct:			
Commission for the Transportation Disadvantaged (CTD)			
Local Program Administrative Support	55.001	G0Y20	14,535
Trip/Equipment Grant	55.001	G0X41	294,289
Trip/Equipment Grant	55.001	G1A43	88,848
Shirley Conroy Rural Capital Grant	55.001	G1B03	17,560
Total			<u>415,232</u>
Aviation Grant Program	55.004	G0Z75	88,109
Small County Outlay Program	55.009	GOA22	1,235,640
Small County Outlay Program	55.009	GOU30	93,930
Total Small County Outlay Program			<u>1,329,570</u>
Small County Road Assistance Program	55.016	G0A23	19,654
Small County Road Assistance Program	55.016	G0J74	9,063
Small County Road Assistance Program	55.016	G0V62	4,625
Total Small County Road Assistance Program			<u>33,342</u>
Total Florida Department of Transportation			<u>1,866,253</u>
Florida Department of Health			
Direct:			
Emergency Medical Services County Grant	64.005	C6038	2,209
Emergency Medical Services County Grant	65.005	C7038	4,282
Total Emergency Medical Services County Grant			6,491
Emergency Medical Services Matching Grant	64.003	M7024	51,000
Total Florida Department of Health			<u>57,491</u>
Florida Housing Finance Corporation			
Direct:			
State Housing Initiatives Partnership Program	52.901	2015-2016	29,980
State Housing Initiatives Partnership Program	52.901	2016-2017	184,633
State Housing Initiatives Partnership Program	52.901	2017-2017	160,795
State Housing Initiatives Partnership Program	52.901	2018-2019	35,231
Total Florida Housing Finance Corporation			<u>410,639</u>
Florida Department of Management Services			
Direct:			
Enhanced 911 Emergency Telephone System	72.001	S12-19-02-15	88,624
Enhanced 911 Emergency Telephone System	72.001	18-04-19	28,836
Enhanced 911 Emergency Telephone System	72.001	19-04-22	9,548
Total Department of Management Services			<u>127,008</u>
Florida Fish & Wildlife Commission			
Direct:			
Florida Boating Improvement Program	77.037	17332	50,973
Total Florida Fish & Wildlife Commission			<u>50,973</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 2,880,761</u>

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

LEVY COUNTY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards and state financial assistance includes the state grant activity of Levy County, Florida (the County), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215.97, Florida Statutes, *Florida Single Audit Act*. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

(2) **Summary of Significant Accounting Policies:**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Section 215, Florida Statutes, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate Election:**

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

(4) **Subrecipients:**

During the year ended September 30, 2019, the County provided no federal or state awards to subrecipients.

(5) **Contingency:**

Project expenditures are subject to audit and adjustment. If any expenditures were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the County. In the opinion of management, all project expenditures included on the accompanying schedule are in compliance with the terms of the project agreements and applicable federal and state laws and regulations.

OTHER REPORTS AND SCHEDULE

**LEVY COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards:

Internal control over major Federal programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes none reported

Auditee qualified as a low-risk auditee? yes no

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Identification of major Federal programs:

CFDA Number	Program Name
15.226	Payments in Lieu of Taxes
20.205	Highway Planning and Construction Cluster

State Financial Assistance:

Internal control over major State projects:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported for state financial assistance projects in accordance with Chapter 10.550? _____ yes X none reported

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Identification of major State programs:

CSFA Number	Program Name
45.030	State Aid to Libraries
55.009	Small County Outreach Program (SCOP)

B. Financial Statement Findings:

2019-001 – Segregation of Duties

Criteria: The internal control environment should include appropriate segregation of duties along with review policies and procedures over all financial activities to prevent and detect errors to the accounting records and a means to correct them in a timely manner.

Condition and Context: There were insufficient internal controls over the billing and receipting processes and decentralized collection systems in various departments, generally with one individual performing all aspects of certain transactions. There were insufficient controls over the receipting and posting processes to record revenue to the general ledger, and multiple occasions of one individual performing the process from start to finish with no review.

Cause: The County has a limited number of personnel in the decentralized cash receipting and billing areas as well as in the Finance Department.

Effect: Risk of misappropriation of assets or misstatement of financial information is elevated.

Recommendation: We recommend that whenever possible, duties should be segregated so that collections and billings performed by one individual are reviewed by another individual separate from that function, with that review being documented. Cash collections and billing processes should be documented with formal procedures and those procedures should be followed consistently. The systems used for decentralized billing and collections should be assessed for security and consistency, and revenue and other data from such subsystems should be reviewed on a regular basis.

C. **Federal Award Findings and Questioned Costs:** None.

D. **State Project Findings and Questioned Costs:** None.

E. **Summary Schedule of Prior Audit Findings:** See schedule of prior audit findings as referenced in the table of contents.

F. **Corrective Action Plan:** Not applicable as there are no current year findings.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and Major State Project

We have audited Levy County, Florida (the County)'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and *Florida Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on each of the County's major federal program and major state projects for the year ended September 30, 2019. The County's major federal program and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and 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; the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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 major state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and Major State Project

In our opinion, Levy County, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 as combination of deficiencies, in internal control over compliance with the type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

James Moore & Co., P.L.

Gainesville, Florida
May 8, 2020

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

The Honorable Board of County Commissioners,
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 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 8, 2020.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a material weakness.

Compliance and Other Matters

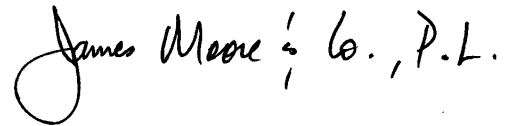
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

Levy County, Florida's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying management's response to audit findings as listed in the table of contents. 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.

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

Gainesville, Florida
May 8, 2020

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

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

Report on the Financial Statements

We have audited the financial statements of Levy County, Florida (the County), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 8, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance in Accordance with Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 8, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, except for the following: prior year comment 2018-001 has been repeated as current year comment 2019-001, and remains uncorrected from the second preceding year.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County met the following conditions described in Section 218.503(1), Florida Statutes:

2019-002 – Business-type Activities: Unrestricted Net Position

At September 30, 2019, the balance of unrestricted net position in the landfill fund, and therefore total business-type activities, was a deficit balance of \$2,516,206. While this was substantially improved from the prior year unrestricted net position deficit and the landfill fund does have positive working capital, we are required to report this deficit in accordance with Section 218.39(5), Florida Statutes. We recommend the County continue to closely monitor the financial performance of this fund with an ultimate plan of recovering and subsequently building an unrestricted net position reserve.

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

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

Additional Matters

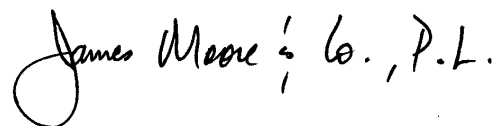
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants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

Levy County, Florida's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying management's response to audit findings as listed in the table of contents. 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 Letter

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



Gainesville, Florida
May 8, 2020

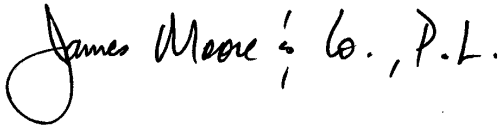
INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Board of County Commissioners,
Levy County, Florida

We have examined the compliance of Levy County, Florida (the County) with Section 365.172, Florida Statutes, *Emergency Communications Number "E911"*, Section 365.173, Florida Statutes, *Communications Number E911 System Fund*, and Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied with the aforementioned statutes, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the County's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.




Gainesville, Florida
May 8, 2020



BEFORE ME, the undersigned authority, personally appeared Jared Blanton, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of Levy County, which is a local governmental entity of the State of Florida;
2. Levy County adopted Chapter 47 codifying Ordinance No 2005-08, which was adopted November 17, 2005, implementing the "Levy County Comprehensive Impact Fee Ordinance"; and
3. Levy County has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

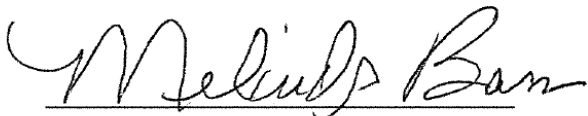
FURTHER AFFIANT SAYETH NAUGHT.



 Jared Blanton
 Finance Officer
 Levy Clerk & Comptroller

STATE OF FLORIDA
COUNTY OF LEVY

SWORN TO AND SUBSCRIBED before me this 29th day of April, 2020.

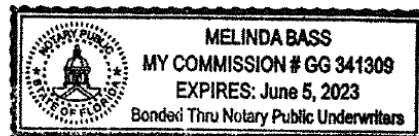


 NOTARY PUBLIC
 Print Name Melinda Bass

Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires:



**LEVY COUNTY, FLORIDA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Summary Schedule of Prior Audit Findings

2018-001 – Segregation of Duties: Corrective action not taken. See repeat comment 2019-001.

2018-002 – OPEB Census Data: Corrective action taken.

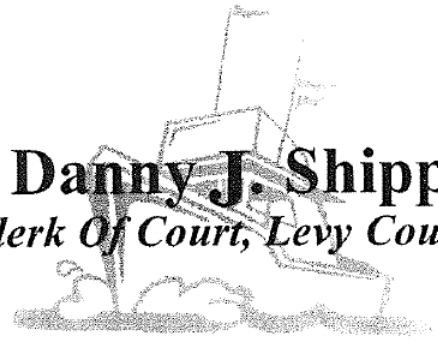
2018-003 – CFDA No. 20.205 Wage Rate Requirement: Corrective action taken.



355 South Court Street • Bronson, Florida 32621-6520

Phone: (352) 486-5266

Danny J. Shipp
Clerk Of Court, Levy County



May 8, 2020

Honorable Sherrill F. Norman, CPA
State of Florida
Office of the Auditor General
Tallahassee, FL 32201

Dear Ms. Norman:

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 2018-2019, as prepared by our independent auditors James Moore & Co.

- 2019-001 Properly segregating duties with limited funding and staff is usually a concern for any fiscally-constrained government. Our office continuously works with County staff on an ongoing basis to assist in designing and implementing whatever procedural changes are possible to assist in mitigation of risk of error or misappropriation. This includes leveraging technological solutions to create centralized controls. Better centralization of oversight and access to these satellite locations is possible via use of web-based software platforms that integrate directly with our accounting system, and we have begun coordinating with County management toward that end. Our office has installed one module of an integrated utility billing system for one of our departments, and we will further extend this to other locations and functions. This will aid in consistency of application, oversight, and accountability, particularly in locations where available resources dictate that a single staff person is charged with many incompatible duties. Where direct integration is not possible, we are working on access to the satellite office's systems from our central office to be able to oversee and review their systems' transactions. I will note that the auditors, in expanded tests, found no actual material errors at this time.
- 2019-002 The County is endeavoring to build the Unrestricted Net Assets of our Landfill Fund. The Landfill closure and long-term care liability of \$5,122,595 is a very conservative estimate, and the entirety is likely not to be utilized. This estimate puts negative pressure on the Unrestricted Net Assets of this fund. As the liability continues to be assessed and potential risk is diminished, its reduction will assist in building the Unrestricted Net Assets. As noted in our audit, the County has a positive amount of working capital in this Fund. There is also a positive working capital flow allowing the County to operate this Proprietary Fund and to keep reducing the Unrestricted Net Assets.

Sincerely,

Jared Blanton
Finance Officer

LEVY COUNTY SHERIFF
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

LEVY COUNTY SHERIFF
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Robert B. McCallum, Sheriff,
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 Levy County Sheriff (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Sheriff's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Levy County Sheriff as of September 30, 2019, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Levy County, Florida, that is attributable to the Levy County Sheriff. They do not purport to, and do not, present fairly the financial position of Levy County, Florida as of September 30, 2019, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

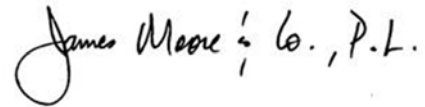
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The supplementary information, as listed in the table of contents, 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 are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

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

Gainesville, Florida
May 8, 2020

**LEVY COUNTY SHERIFF
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	General Fund	Special Revenue			Total Governmental Funds
		Federal Forfeiture Fund	Inmate Welfare Fund	Donations Fund	
ASSETS					
Cash and cash equivalents	\$ 773,673	\$ 24,391	\$ 162,189	\$ 8,008	\$ 968,261
Accounts receivable	69,693	-	17,759	-	87,452
Due from other governments	28,686	-	-	-	28,686
Due from other funds	14,462	-	-	-	14,462
Total ssets	<u>\$ 886,514</u>	<u>\$ 24,391</u>	<u>\$ 179,948</u>	<u>\$ 8,008</u>	<u>\$ 1,098,861</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenditures	\$ 732,332	\$ -	\$ 163	\$ -	\$ 732,495
Due to other funds	-	-	14,462	-	14,462
Due to Board of County Commissioners	154,182	-	40	-	154,222
Total Liabilities	<u>886,514</u>	<u>-</u>	<u>14,665</u>	<u>-</u>	<u>901,179</u>
Fund Balances					
Restricted for:					
Law enforcement	-	24,391	165,283	8,008	197,682
Unassigned	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>24,391</u>	<u>165,283</u>	<u>8,008</u>	<u>197,682</u>
Total Liabilities and Fund Balances	<u>\$ 886,514</u>	<u>\$ 24,391</u>	<u>\$ 179,948</u>	<u>\$ 8,008</u>	<u>\$ 1,098,861</u>

The accompanying notes to financial statements are an integral part of this statement.

LEVY COUNTY SHERIFF
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Special Revenue			Total Governmental Funds
		Federal Forfeiture Fund	Inmate Welfare Fund	Donations Fund	
Revenues					
Intergovernmental	\$ 66,091	\$ -	\$ -	\$ -	\$ 66,091
Charges for services	664,542	-	183,094	-	847,636
Fines and forfeitures	-	8,245	-	-	8,245
Miscellaneous revenue	83,047	14	956	3,670	87,687
Total revenues	<u>813,680</u>	<u>8,259</u>	<u>184,050</u>	<u>3,670</u>	<u>1,009,659</u>
Expenditures					
Current:					
Public safety	13,104,467	14,751	113,718	-	13,232,936
Court-related	250,253	-	-	-	250,253
Capital outlay	227,165	-	-	-	227,165
Debt service					
Principal	164,775	-	-	-	164,775
Interest	8,602	-	-	-	8,602
Total expenditures	<u>13,755,262</u>	<u>14,751</u>	<u>113,718</u>	<u>-</u>	<u>13,883,731</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,941,582)</u>	<u>(6,492)</u>	<u>70,332</u>	<u>3,670</u>	<u>(12,874,072)</u>
Other financing sources (uses)					
Appropriations from board of county commissioners	13,067,369	-	-	-	13,067,369
Reversion to board of county commissioners	(125,787)	-	-	-	(125,787)
Total other financing sources (uses)	<u>12,941,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,941,582</u>
Net change in fund balance	<u>-</u>	<u>(6,492)</u>	<u>70,332</u>	<u>3,670</u>	<u>67,510</u>
Fund balances, beginning of year	<u>-</u>	<u>30,883</u>	<u>94,951</u>	<u>4,338</u>	<u>130,172</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 24,391</u>	<u>\$ 165,283</u>	<u>\$ 8,008</u>	<u>\$ 197,682</u>

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019**

	Agency Funds
ASSETS	
Cash and equivalents	\$ 17,168
LIABILITIES	
Assets held for others	\$ 2,900
Due to Board of County Commissioners	14,268
Total liabilities	\$ 17,168

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:**

The accounting policies of the Levy County Sheriff (the Office) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**— The Sheriff is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Levy County, Florida (the County), the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the County’s financial statements to properly reflect the county-wide General Fund.

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

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

The Office reports the following major governmental funds:

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

Special Revenue Funds – The Inmate Welfare Special Revenue Fund is used to account for the funds that are generated by phone commissions. The profits can only be spent for the benefit of the inmates. The Federal Forfeiture Fund is used to account for the receipt and expenditures of federal forfeitures received. The Donations Fund is used to track all donation revenues.

Additionally, the Sheriff reports the following fiduciary fund type:

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

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

**LEVY COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(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. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

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

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (recorded and accounted for) by the Levy County Board of County Commissioners.

(g) Depreciation is reported for the primary government using the straight-line method calculated on a service-life basis to amortize the cost of the asset over their estimated economic useful lives, which are as follows:

Assets	Years
Vehicles	4 – 6 years
Building and improvements	20 years
Computer software	3 – 10 years
Machinery and equipment	3 – 20 years

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

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

(i) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(j) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Sheriff is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

LEVY COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

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

(k) **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.

(2) **Budgets and Budgetary Accounting:**

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

(3) **Investments:**

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) **Risk Management:**

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

(5) **Capital Assets:**

Capital asset activity of the Office is incorporated in the County-wide financial statements. All applicable depreciation expense is recorded under the public safety function.

**LEVY COUNTY SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(6) Long-term Liabilities:

A summary of changes in long-term liabilities of the Office for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 872,042	\$ 394,936	\$ (596,035)	\$ 670,943	\$ 209,297

(7) Pension Plan:

The Office participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

LEVY COUNTY SHERIFF
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 66,091	\$ 66,091
Charges for services	-	-	664,542	664,542
Miscellaneous revenue	-	-	83,047	83,047
Total revenues	<u>-</u>	<u>-</u>	<u>813,680</u>	<u>813,680</u>
Expenditures				
Current:				
Public safety	13,339,321	13,097,422	13,104,467	(7,045)
Court-related	250,253	250,253	250,253	-
Capital outlay	-	304,758	227,165	77,593
Debt service				
Principal	164,775	164,775	164,775	-
Interest	8,602	8,602	8,602	-
Total expenditures	<u>13,762,951</u>	<u>13,825,810</u>	<u>13,755,262</u>	<u>70,548</u>
Excess (deficiency) of revenues over expenditures	<u>(13,762,951)</u>	<u>(13,825,810)</u>	<u>(12,941,582)</u>	<u>884,228</u>
Other financing sources (uses)				
Appropriations from board of county commissioners	13,762,951	13,825,810	13,067,369	(758,441)
Reversion to board of county commissioners	-	-	(125,787)	(125,787)
Total other financing sources (uses)	<u>13,762,951</u>	<u>13,825,810</u>	<u>12,941,582</u>	<u>(884,228)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

**LEVY COUNTY SHERIFF
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end. A formal budget is not adopted for the federal forfeiture, inmate welfare, or donations funds, and therefore budgetary comparison schedules are not presented for these funds.

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

**LEVY COUNTY SHERIFF
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2019**

	Inmate Trust Fund	Civil and Suspense Fund	Total
ASSETS			
Cash and equivalents	\$ 8,408	\$ 8,760	\$ 17,168
LIABILITIES			
Assets held for others	\$ 900	\$ 2,000	\$ 2,900
Due to Board of County Commissioners	7,508	6,760	14,268
Total liabilities	\$ 8,408	\$ 8,760	\$ 17,168

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

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

The Honorable 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 each major fund and the aggregate remaining fund information of the Levy County Sheriff (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Sheriff's special-purpose financial statements, and have issued our report thereon dated May 8, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements.

Internal Control over Financial Reporting

In planning and performing our audit of the special-purpose 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 special-purpose 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 Levy County Sheriff's internal control.

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

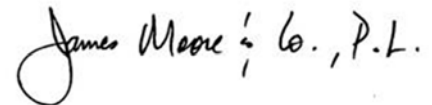
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

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

Purpose of this Report

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

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

Gainesville, Florida
May 8, 2020

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

The Honorable Robert B. McCallum, Sheriff,
Levy County, Florida:

We have audited the financial statements of the Levy County Sheriff (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 8, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 8, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address certain findings and recommendations made in the preceding financial audit report, as noted below. No comments remain uncorrected from the second preceding audit.

2018-001 – Segregation of Duties: Corrective action taken.

2018-002 – Fuel Card Purchases: Corrective action taken.

2018-003 – Budget Noncompliance: Corrective action taken.

Official Title and Legal Authority

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

Financial Management

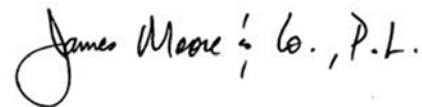
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

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

Gainesville, Florida
May 8, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

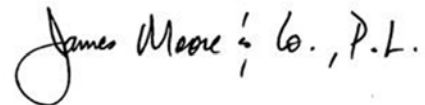
The Honorable Robert B. McCallum, Sheriff,
Levy County, Florida:

We have examined the Levy County Sheriff's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Levy County Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 8, 2020



LEVY COUNTY PROPERTY APPRAISER
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

LEVY COUNTY PROPERTY APPRAISER
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' 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 general fund of the Levy County Property Appraiser (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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.

- 1 -

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Levy County Property Appraiser as of September 30, 2019, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Levy County, Florida, that is attributable to the Levy County Property Appraiser. They do not purport to, and do not, present fairly the financial position of Levy County, Florida as of September 30, 2019, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

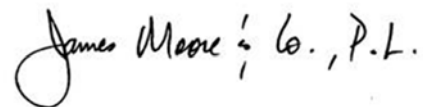
Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

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



Gainesville, Florida
May 8, 2020

**LEVY COUNTY PROPERTY APPRAISER
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2019**

	General Fund
ASSETS	
Cash and equivalents	\$ 30,889
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued expenditures	\$ 1,113
Due to other governments	784
Due to Board of County Commissioners	28,992
Total Liabilities	30,889
Fund Balance:	
Unassigned	-
Total Liabilities and Fund Balance	\$ 30,889

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General Fund
Revenues	
Charges for services	\$ 28,221
Miscellaneous revenue	83
Total revenues	28,304
Expenditures	
Current:	
General government	996,424
Capital outlay	23,081
Total expenditures	1,019,505
Excess (deficiency) of revenues over expenditures	(991,201)
Other financing sources (uses)	
Appropriations from board of county commissioners	1,020,193
Reversion to board of county commissioners	(28,992)
Total other financing sources (uses)	991,201
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(1) Summary of Significant Accounting Policies:

The accounting policies of the Levy County Property Appraiser (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**—The Property Appraiser is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Levy County, Florida (the County), the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the County’s financial statements to properly reflect the county-wide General Fund.

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

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

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

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

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

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

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

**LEVY COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (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 non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

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

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Property Appraiser is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Unassigned fund balance represents funds available for spending at the government’s discretion.

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

(j) **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.

**LEVY COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(2) Budgets and Budgetary Accounting:

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

(3) Investments:

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) Risk Management:

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

(5) Long-term Liabilities:

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 84,332	\$ 51,549	\$ (43,629)	\$ 92,252	\$ 13,354

**LEVY COUNTY PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(6) Pension Plan:

The Office participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

**LEVY COUNTY PROPERTY APPRAISER
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 27,661	\$ 27,661	\$ 28,221	\$ 560
Miscellaneous revenue	-	-	83	83
Total revenues	<u>27,661</u>	<u>27,661</u>	<u>28,304</u>	<u>643</u>
Expenditures				
Current:				
General government	1,026,585	1,026,585	996,424	30,161
Capital outlay	21,269	21,269	23,081	(1,812)
Total expenditures	<u>1,047,854</u>	<u>1,047,854</u>	<u>1,019,505</u>	<u>28,349</u>
Excess (deficiency) of revenues over expenditures	<u>(1,020,193)</u>	<u>(1,020,193)</u>	<u>(991,201)</u>	<u>28,992</u>
Other financing sources (uses)				
Appropriations from board of county commissioners	1,020,193	1,020,193	1,020,193	-
Reversion to board of county commissioners	-	-	(28,992)	(28,992)
Total other financing sources (uses)	<u>1,020,193</u>	<u>1,020,193</u>	<u>991,201</u>	<u>(28,992)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

**LEVY COUNTY PROPERTY APPRAISER
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Property Appraiser follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

ADDITIONAL INFORMATION

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

The Honorable Osborn “Oz” Barker, Property Appraiser,
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 general fund of the Levy County Property Appraiser (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Property Appraiser’s special-purpose financial statements, and have issued our report thereon dated May 8, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the 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 special-purpose 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 Levy County Property Appraiser’s internal control.

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

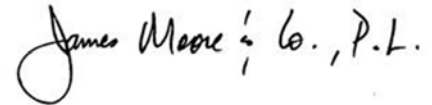
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

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

Purpose of this Report

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

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

Gainesville, Florida
May 8, 2020

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

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

Report on the Financial Statements

We have audited the financial statements of the Levy County Property Appraiser (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 8, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 8, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

James Moore & Co., P.L.

Gainesville, Florida
May 8, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

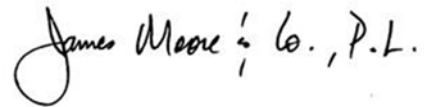
The Honorable Osborn "Oz" Barker, Property Appraiser,
Levy County, Florida:

We have examined the Levy County Property Appraiser's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Levy County Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 8, 2020



LEVY COUNTY SUPERVISOR OF ELECTIONS
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

LEVY COUNTY SUPERVISOR OF ELECTIONS
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' 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 general fund of the Levy County Supervisor of Elections (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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.

- 1 -

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Gainesville, FL 32607-2063
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2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund for the Levy County Supervisor of Elections as of September 30, 2019, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Levy County, Florida, that is attributable to the Levy County Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Levy County, Florida as of September 30, 2019, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

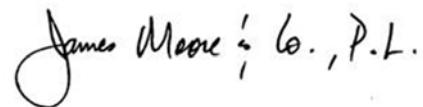
Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

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



Gainesville, Florida
May 8, 2020

**LEVY COUNTY SUPERVISOR OF ELECTIONS
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2019**

	General Fund
ASSETS	
Cash and equivalents	\$ 6,478
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued expenditures	\$ 4,411
Due to Board of County Commissioners	2,067
Total Liabilities	6,478
 Fund Balance	
Unassigned	-
 Total Liabilities and Fund Balance	 \$ 6,478

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
SEPTEMBER 30, 2019**

	General Fund
Revenues	
Intergovernmental	\$ 5,580
Miscellaneous	2,060
Total revenues	7,640
Expenditures	
Current:	
General government	521,088
Capital outlay	91,032
Total expenditures	612,120
Excess (deficiency) of revenues over expenditures	(604,480)
Other financing sources (uses)	
Appropriations from Board of County Commissioners	570,500
Reversion to Board of County Commissioners	(1,931)
Total other financing sources (uses)	568,569
Net change in fund balance	(35,911)
Fund balance, beginning of year	35,911
Fund balance, end of year	\$ -

The accompanying notes to financial statements are an integral part of this statement.

LEVY COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) Summary of Significant Accounting Policies:

The accounting policies of the Levy County Supervisor of Elections (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**—The Supervisor of Elections is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Levy County, Florida (the County), the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the County’s financial statements to properly reflect the county-wide General Fund.

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

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

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

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

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

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

LEVY COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

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

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (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 non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

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

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

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

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

(j) **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.

**LEVY COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(2) Budgets and Budgetary Accounting:

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

(3) Investments:

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) Risk Management:

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

(5) Long-term Liabilities:

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Compensated absences	\$ 18,956	\$	7,920	\$	(6,458)	\$	20,418	\$	2,956

**LEVY COUNTY SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(6) Pension Plan:

The Office participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

**LEVY COUNTY SUPERVISOR OF ELECTIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 42,490	\$ 42,490	\$ 5,580	\$ (36,910)
Miscellaneous	-	-	2,060	2,060
Total revenues	<u>42,490</u>	<u>42,490</u>	<u>7,640</u>	<u>(34,850)</u>
Expenditures				
Current:				
General government	556,080	556,080	521,088	34,992
Capital outlay	56,910	56,910	91,032	(34,122)
Total expenditures	<u>612,990</u>	<u>612,990</u>	<u>612,120</u>	<u>870</u>
Excess (deficiency) of revenues over expenditures	<u>(570,500)</u>	<u>(570,500)</u>	<u>(604,480)</u>	<u>(33,980)</u>
Other financing sources (uses)				
Appropriations from Board of County Commissioners	570,500	570,500	570,500	-
Reversion to Board of County Commissioners	-	-	(1,931)	(1,931)
Total other financing sources (uses)	<u>570,500</u>	<u>570,500</u>	<u>568,569</u>	<u>(1,931)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(35,911)</u>	<u>(35,911)</u>
Fund balance, beginning of year	35,911	35,911	35,911	-
Fund balance, end of year	<u>\$ 35,911</u>	<u>\$ 35,911</u>	<u>\$ -</u>	<u>\$ (35,911)</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

**LEVY COUNTY SUPERVISOR OF ELECTIONS
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Supervisor of Elections follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

ADDITIONAL INFORMATION

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

The Honorable 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 general fund of the Levy County Supervisor of Elections (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Supervisor of Elections' special-purpose financial statements, and have issued our report thereon dated May 8, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the 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 special-purpose 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 Levy County Supervisor of Elections' internal control.

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

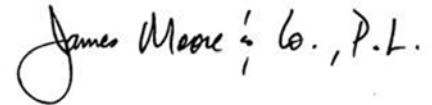
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

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

Purpose of this Report

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

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

Gainesville, Florida
May 8, 2020

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

The Honorable Tammy Jones, Supervisor of Elections,
Levy County, Florida:

Report on the Financial Statements

We have audited the financial statements of the Levy County Supervisor of Elections (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 8, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 8, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

James Moore & Co., P.L.

Gainesville, Florida
May 8, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

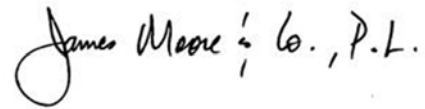
The Honorable Tammy Jones, Supervisor of Elections,
Levy County, Florida:

We have examined the Levy County Supervisor of Elections' (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Levy County Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 8, 2020



LEVY COUNTY TAX COLLECTOR
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 2019

LEVY COUNTY TAX COLLECTOR
SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' REPORT

The Honorable Linda Fugate, Levy County Tax Collector,
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 Levy County Tax Collector (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Tax Collector's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Levy County Tax Collector as of September 30, 2019, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Levy County, Florida, that is attributable to the Levy County Tax Collector. They do not purport to, and do not, present fairly the financial position of Levy County, Florida as of September 30, 2019, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

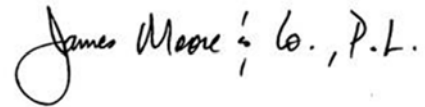
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The supplementary information, as listed in the table of contents, 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 are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

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

Gainesville, Florida
May 8, 2020

**LEVY COUNTY TAX COLLECTOR
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2019**

	<u>General Fund</u>
Assets	
Cash and equivalents	\$ 13,691
Due from fiduciary funds	<u>67,286</u>
Total assets	<u><u>\$ 80,977</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable and accrued expenses	\$ 64,893
Due to Board of County Commissioners	<u>16,084</u>
	80,977
Fund balance	
Unassigned	-
Total Liabilities and Fund Balance	<u><u>\$ 80,977</u></u>

The accompanying notes to financial statements are an integral part of this statement.

LEVY COUNTY TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund
Revenues	
Charges for services	\$ 1,449,589
Miscellaneous revenue	243
Total revenues	1,449,832
Expenditures	
Current:	
General government	1,259,020
Capital outlay	174,728
Total expenditures	1,433,748
Excess (deficiency) of revenues over expenditures	16,084
Other financing sources (uses)	
Appropriations from Board of County Commissioners	-
Reversion to Board of County Commissioners	(16,084)
Total other financing sources (uses)	(16,084)
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY TAX COLLECTOR
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2019**

	Agency Funds
Assets	
Cash and equivalents	\$ 1,713,698
Accounts receivable	1,075
Due from other county agencies	211
Total assets	\$ 1,714,984
Liabilities	
Due to other funds	\$ 67,286
Due to other county agencies	106,919
Assets held for others	1,540,779
Total liabilities	\$ 1,714,984
Net Position	\$ -

The accompanying notes to financial statements are an integral part of this statement.

LEVY COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:**

The accounting policies of the Levy County Tax Collector (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**—The Tax Collector is an elected constitutional officer, whose office is established by Article VIII of the Constitution of the State of Florida and is governed by various provisions of state law. The Office is an integral part of Levy County, Florida (the County), the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the County’s financial statements to properly reflect the county-wide General Fund.

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

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

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

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

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

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

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

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

LEVY COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

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

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (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 non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

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

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

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

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

(j) **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.

**LEVY COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(2) Budgets and Budgetary Accounting:

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

(3) Investments:

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) Risk Management:

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

(5) Long-term Liabilities:

A summary of changes in long-term liabilities for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Reductions</u>		<u>Ending Balance</u>		<u>Due Within One Year</u>
Compensated absences	\$ 51,270	\$	62,150	\$	(58,943)	\$	54,477	\$	7,886

**LEVY COUNTY TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(6) Pension Plan:

The Office participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

LEVY COUNTY TAX COLLECTOR
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Charges for services	\$ 1,294,577	\$ 1,470,827	\$ 1,449,589	\$ (21,238)
Miscellaneous revenue	-	-	243	243
Total revenues	<u>1,294,577</u>	<u>1,470,827</u>	<u>1,449,832</u>	<u>(20,995)</u>
Expenditures				
Current:				
General government	1,294,577	1,294,577	1,259,020	35,557
Capital outlay	-	176,250	174,728	1,522
Total expenditures	<u>1,294,577</u>	<u>1,470,827</u>	<u>1,433,748</u>	<u>37,079</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>16,084</u>	<u>16,084</u>
Other financing sources (uses)				
Appropriations from Board of County Commissioners	-	-	-	-
Reversion to Board of County Commissioners	-	-	(16,084)	(16,084)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(16,084)</u>	<u>(16,084)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance - budget to actual - governmental funds is an integral part of this schedule.

**LEVY COUNTY TAX COLLECTOR
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year-end.

The Tax Collector follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year for the General Fund. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

**LEVY COUNTY TAX COLLECTOR
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2019**

	<u>Tax Fund</u>	<u>Tag Fund</u>	<u>Game and Wildlife Fund</u>	<u>Total Agency Funds</u>
Assets				
Cash and equivalents	\$ 1,328,625	\$ 380,228	\$ 4,845	\$ 1,713,698
Accounts receivable	-	1,075	-	1,075
Due from other county agencies	-	211	-	211
Total assets	<u>\$ 1,328,625</u>	<u>\$ 381,514</u>	<u>\$ 4,845</u>	<u>\$ 1,714,984</u>
Liabilities				
Due to other funds	\$ 31,714	\$ 31,896	\$ 3,676	\$ 67,286
Due to other county agencies	106,919	-	-	106,919
Assets held for others	1,189,992	349,618	1,169	1,540,779
Total liabilities	<u>\$ 1,328,625</u>	<u>\$ 381,514</u>	<u>\$ 4,845</u>	<u>\$ 1,714,984</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements.

ADDITIONAL INFORMATION

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

The Honorable Linda Fugate, Tax Collector,
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 general fund of the Levy County Tax Collector (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Tax Collector's special-purpose financial statements, and have issued our report thereon dated May 8, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the 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 special-purpose 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 Levy County Tax Collector's internal control.

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

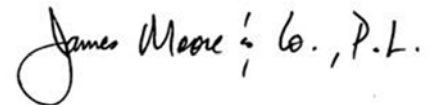
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

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

Purpose of this Report

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

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

Gainesville, Florida
May 8, 2020

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

The Honorable Linda Fugate, Tax Collector,
Levy County, Florida:

We have audited the financial statements of the Levy County Tax Collector (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 8, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 8, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Management

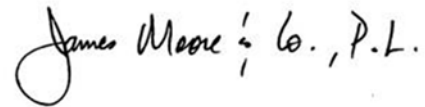
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

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

Gainesville, Florida
May 8, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

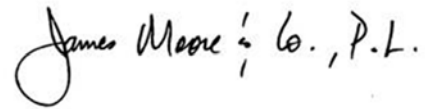
The Honorable Linda Fugate, Tax Collector,
Levy County, Florida:

We have examined the Levy County Tax Collector's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Levy County Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 8, 2020



LEVY COUNTY CLERK OF THE CIRCUIT COURT

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

SEPTEMBER 30, 2019

LEVY COUNTY CLERK OF THE CIRCUIT COURT

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

SEPTEMBER 30, 2019

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INDEPENDENT AUDITORS' 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 Levy County Clerk of the Circuit Court (the Office), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Clerk of the Circuit Court's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information for the Levy County Clerk of the Circuit Court as of September 30, 2019, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, only for that portion of the major funds, of Levy County, Florida, that is attributable to the Levy County Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Levy County, Florida as of September 30, 2019, the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

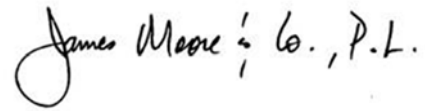
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The supplementary information, as listed in the table of contents, 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 are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

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

Gainesville, Florida
May 8, 2020

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	<u>General Fund</u>	<u>Fine and Forfeiture Fund</u>	<u>Records Modernization Trust Fund</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 229,516	\$ 471,372	\$ 609,793	\$ 1,310,681
Receivables	-	6	-	6
Due from other governments	10,642	180	-	10,822
Due from other funds	18,175	693	8,253	27,121
Due from Board of County Commissioners	359	-	-	359
Total Assets	<u>\$ 258,692</u>	<u>\$ 472,251</u>	<u>\$ 618,046</u>	<u>\$ 1,348,989</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	\$ 62,994	\$ 23,550	\$ -	\$ 86,544
Deposits	-	58,096	-	58,096
Due to other governments	-	373,484	-	373,484
Due to other funds	-	599	-	599
Due to Board of County Commissioners	118,187	15,988	-	134,175
Total liabilities	<u>181,181</u>	<u>471,717</u>	<u>-</u>	<u>652,898</u>
Fund Balances				
Restricted for:				
Court operations	-	534	-	534
Records modernization	-	-	618,046	618,046
Assigned to:				
Court costs	77,511	-	-	77,511
Total fund balances	<u>77,511</u>	<u>534</u>	<u>618,046</u>	<u>696,091</u>
Total Liabilities and Fund Balances	<u>\$ 258,692</u>	<u>\$ 472,251</u>	<u>\$ 618,046</u>	<u>\$ 1,348,989</u>

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General Fund	Fine and Forfeiture Fund	Records Modernization Trust Fund	Total Governmental Funds
Revenues				
Intergovernmental	\$ 64,945	\$ 447,887	\$ -	\$ 512,832
Charges for services	217,148	517,686	83,202	818,036
Fines and forfeitures	-	173,224	-	173,224
Miscellaneous	3,167	6,521	374	10,062
Total revenues	<u>285,260</u>	<u>1,145,318</u>	<u>83,576</u>	<u>1,514,154</u>
Expenditures				
Current:				
General government	950,552	-	-	950,552
Court related	58,576	894,144	57,334	1,010,054
Capital outlay	-	-	-	-
Total expenditures	<u>1,009,128</u>	<u>894,144</u>	<u>57,334</u>	<u>1,960,606</u>
Excess (deficiency) of revenues over expenditures	<u>(723,868)</u>	<u>251,174</u>	<u>26,242</u>	<u>(446,452)</u>
Other financing sources (uses)				
Appropriations from Board of County Commissioners	842,000	-	-	842,000
Reversion to Board of County Commissioners	(118,132)	-	-	(118,132)
Article V Reversion	-	(256,198)	-	(256,198)
Total other financing sources (uses)	<u>723,868</u>	<u>(256,198)</u>	<u>-</u>	<u>467,670</u>
Net change in fund balance	<u>-</u>	<u>(5,024)</u>	<u>26,242</u>	<u>21,218</u>
Fund balance, beginning of year	77,511	5,558	591,804	674,873
Fund balance, end of year	<u>\$ 77,511</u>	<u>\$ 534</u>	<u>\$ 618,046</u>	<u>\$ 696,091</u>

The accompanying notes to financial statements are an integral part of this statement.

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Assets	
Cash and cash equivalents	<u>\$ 1,304,036</u>
Liabilities	
Assets held for others	\$ 1,271,092
Due to other funds	26,522
Due to other County agencies	<u>6,422</u>
Total Liabilities	<u>\$ 1,304,036</u>
Net Position	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of this statement.

LEVY COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(1) Summary of Significant Accounting Policies:

The accounting policies of the Levy County Clerk of the Circuit Court (the “Office”) conform to generally accepted accounting principles as applicable to governments in the Governmental Accounting Standards Board (GASB) Codification. The following is a summary of the more significant policies.

(a) **Reporting entity**— The Clerk 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, Florida (the County), the reporting entity for financial reporting purposes. The Office’s General Fund is combined with the Board of County Commissioners in the County’s financial statements to properly reflect the county-wide General Fund.

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

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

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

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

The Office reports the following Special Revenue funds:

Fine and Forfeiture Fund- Used to account for fines, court costs, filing fees, and service charges as mandated by Florida Statutes for court-related expenditures.

Records Modernization Trust Fund- Used to account for additional recording fees, which are collected by the Clerk’s office and are earmarked for the modernization of recording service operations.

Additionally, the Office reports the following fiduciary fund type:

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

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

LEVY COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(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. The Office considers revenues to be available if they are collected within 90 days of the end of the current fiscal period.

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

(e) **Cash**—The Office’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(f) **Capital assets and long-term liabilities**—Capital assets used by the Office are capitalized (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 non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the financial statements of the County.

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

(h) **Compensated absences**—The Office follows generally accepted accounting principles in accounting for accrued compensated absences. The Office allows limited vesting of unused employee leave time. Since the annual and sick leave liability is considered long-term, it is recorded in the government-wide financial statements of the County. Compensated absences are expected to be paid out of the General Fund of the Office and this practice is expected to continue in the future. The Office kept compensated absence records for the hours earned, used and available.

(i) **Fund balance**—Fund balance for governmental funds report classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. In as much as the Clerk is a county constitutional officer, any funds remaining at the end of the fiscal year are returned to the Board of County Commissioners. Assigned amounts represent residual external funding to be used by the Office. Unassigned fund balance represents funds available for spending at the government’s discretion.

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

(j) **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.

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(2) Budgets and Budgetary Accounting:

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

(3) Investments:

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

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

Concentration of Credit Risk. The Office places no limit on the amount the Office may invest in any one issuer. The Office maintained 100-percent of excess deposits in a checking account with a local financial institution subject to Federal Depository Insurance Corporation (FDIC) insurance, and/or the State of Florida collateral pool established under the Florida Security for Public Deposits Act (the Act).

(4) Risk Management:

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

(5) Long-term Liabilities:

A summary of changes in long-term liabilities of the Office for the fiscal year ended September 30, 2019, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 110,000	\$ 165,623	\$ (164,468)	\$ 112,155	\$ 68,177

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

(6) Pension Plan:

The Office participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the Office's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

In addition, all regular employees of the entity are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

For financial reporting purposes, the Office is deemed to be part of the primary government of the County. A liability related to the Office's proportionate share of FRS retirement benefits, along with a detailed plan description, is reported in the financial statements of the County for the fiscal year ended September 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

LEVY COUNTY CLERK OF THE CIRCUIT COURT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Intergovernmental	\$ 57,000	\$ 57,000	\$ 64,945	\$ 7,945
Charges for services	191,820	191,820	217,148	25,328
Miscellaneous	600	600	3,167	2,567
Total revenues	<u>249,420</u>	<u>249,420</u>	<u>285,260</u>	<u>35,840</u>
Expenditures				
Current:				
General government	955,039	983,039	950,552	32,487
Court related	128,910	130,910	58,576	72,334
Total expenditures	<u>1,083,949</u>	<u>1,113,949</u>	<u>1,009,128</u>	<u>104,821</u>
Excess (deficiency) of revenues over expenditures	<u>(834,529)</u>	<u>(864,529)</u>	<u>(723,868)</u>	<u>140,661</u>
Other financing sources (uses)				
Transfers out	(35,000)	(35,000)	-	35,000
Appropriations from Board of County Commissioners	812,000	842,000	842,000	-
Reversion to Board of County Commissioners	-	-	(118,132)	(118,132)
Total other financing sources (uses)	<u>777,000</u>	<u>807,000</u>	<u>723,868</u>	<u>(83,132)</u>
Net change in fund balance	<u>(57,529)</u>	<u>(57,529)</u>	<u>-</u>	<u>57,529</u>
Fund balance, beginning of year	77,511	77,511	77,511	77,511
Fund balance, end of year	<u>\$ 19,982</u>	<u>\$ 19,982</u>	<u>\$ 77,511</u>	<u>\$ 135,040</u>

The accompanying notes to required supplementary information are an integral part of this statement.

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FINE AND FORFEITURE FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues				
Intergovernmental	\$ 442,382	\$ 442,382	\$ 447,887	\$ 5,505
Charges for services	411,370	411,370	517,686	106,316
Fines and forfeitures	129,370	129,370	173,224	43,854
Miscellaneous	3,000	3,000	6,521	3,521
Total revenues	<u>986,122</u>	<u>986,122</u>	<u>1,145,318</u>	<u>159,196</u>
Expenditures				
Current:				
Court related	971,622	971,622	894,144	77,478
Excess (deficiency) of revenues over expenditures	<u>14,500</u>	<u>14,500</u>	<u>251,174</u>	<u>236,674</u>
Other financing sources (uses)				
Transfers in	35,000	35,000	-	(35,000)
Article V Reversion	-	-	(256,198)	(256,198)
Total other financing sources (uses)	<u>35,000</u>	<u>35,000</u>	<u>(256,198)</u>	<u>(291,198)</u>
Net change in fund balance	<u>49,500</u>	<u>49,500</u>	<u>(5,024)</u>	<u>(54,524)</u>
Fund balance, beginning of year	5,558	5,558	5,558	77,511
Fund balance, end of year	<u>\$ 55,058</u>	<u>\$ 55,058</u>	<u>\$ 534</u>	<u>\$ 22,987</u>

The accompanying notes to required supplementary information are an integral part of this statement.

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
RECORDS MODERNIZATION TRUST FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues				
Charges for services	\$ 74,000	\$ 74,000	\$ 83,202	\$ 9,202
Miscellaneous	500	500	374	(126)
Total revenues	<u>74,500</u>	<u>74,500</u>	<u>83,576</u>	<u>9,076</u>
Expenditures				
Current:				
General government	63,100	63,100	-	63,100
Court related	419,400	419,400	57,334	362,066
Capital outlay	<u>138,000</u>	<u>138,000</u>	<u>-</u>	<u>138,000</u>
Total expenditures	<u>620,500</u>	<u>620,500</u>	<u>57,334</u>	<u>563,166</u>
Net change in fund balance	<u>(546,000)</u>	<u>(546,000)</u>	<u>26,242</u>	<u>572,242</u>
Fund balance, beginning of year	591,804	591,804	591,804	77,511
Fund balance, end of year	<u>\$ 45,804</u>	<u>\$ 45,804</u>	<u>\$ 618,046</u>	<u>\$ 649,753</u>

The accompanying notes to required supplementary information are an integral part of this statement.

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
NOTE TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

(1) **Budgetary Information:**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, the fine and forfeiture fund, and the records modernization trust fund. All annual appropriations lapse at fiscal year-end.

The Clerk follows these procedures in establishing the budgetary data reflected in the financial statements:

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

SUPPLEMENTARY INFORMATION

**LEVY COUNTY CLERK OF THE CIRCUIT COURT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 SEPTEMBER 30, 2019**

	Domestic Relations Fund	Registry of Court Fund	General Trust Fund	Jury and Witness Fund	Cash Bond Fund	Total Agency Funds
Assets						
Cash and cash equivalents	\$ 1,147	\$ 853,633	\$ 430,656	\$ 5,714	\$ 12,886	\$ 1,304,036
Liabilities						
Assets held for others	\$ 454	\$ 853,633	\$ 398,405	\$ 5,714	\$ 12,886	\$ 1,271,092
Due to other funds	693	-	25,829	-	-	26,522
Due to other County agencies	-	-	6,422	-	-	6,422
Total Liabilities	<u>\$ 1,147</u>	<u>\$ 853,633</u>	<u>\$ 430,656</u>	<u>\$ 5,714</u>	<u>\$ 12,886</u>	<u>\$ 1,304,036</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

ADDITIONAL INFORMATION

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

The Honorable Danny J. Shipp, Clerk of the Circuit Court,
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 general fund of the Levy County Clerk of the Circuit Court (the Office) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Levy County Clerk of the Circuit Court's special-purpose financial statements, and have issued our report thereon dated May 8, 2020, which was modified to refer to a basis of accounting required for compliance with state filing requirements, and for other reasons.

Internal Control over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the 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 special-purpose 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 Levy County Clerk of the Circuit Court's internal control.

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

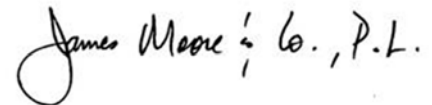
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

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

Purpose of this Report

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

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

Gainesville, Florida
May 8, 2020

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

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

We have audited the financial statements of the Levy County Clerk of the Circuit Court (the Office), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated May 8, 2020.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 8, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

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

2018-001 – Timely Remittances to State of Florida: Corrective action taken.

2018-002 – Performance Standards and Reporting: Corrective action taken.

2018-003 – COCC Reporting: Corrective action taken.

Official Title and Legal Authority

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

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

Financial Management

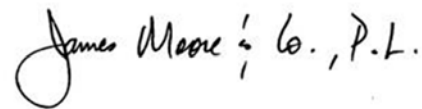
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

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

Purpose of this Letter

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

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

Gainesville, Florida
May 8, 2020

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

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

We have examined the Levy County Clerk of the Circuit Court's (the Office) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, Section 28.36, Florida Statutes, *Budget Procedure*, and Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees* (collectively, "the Statutes"), for the year ended September 30, 2019. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with the Statutes for the year ended September 30, 2019, in all material respects. An examination involves performing procedures to obtain evidence about the Office's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Levy County Clerk of the Circuit Court complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Gainesville, Florida
May 8, 2020

