

**COLUMBIA COUNTY,
FLORIDA**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2018

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2018

TABLE OF CONTENTS

	PAGE NO.
INTRODUCTORY SECTION	
List of Principal Officials	5
FINANCIAL SECTION	
BASIC FINANCIAL STATEMENTS	
Independent Auditor's Report	8
Management's Discussion and Analysis	11
Statement of Net Position	20
Statement of Activities	22
Governmental Funds - Balance Sheet	23
Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position - Proprietary Fund	26
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	28
Statement of Cash Flows - Proprietary Fund	29
Statement of Fiduciary Net Position - Agency Funds	31
Notes to Financial Statements	32
REQUIRED SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	78
County Transportation Trust Fund	79
Municipal Services Benefit Unit Fund	80
Clerk of the Circuit Court Operating Fund	81
Sheriff Operating Fund	82
Economic Development Debt Service Fund	83
Connector Road Project Fund	84
Road Improvement Fund	85
Schedule of the County's Proportionate Share of the Net Pension Liability	
Florida State Retirement System	86
Schedule of the County's Contributions Florida State Retirement System	87
Schedule of Changes to OPEB Liability	88
Schedule of Employer OPEB Contributions	88
Notes to the Required Supplementary Information	89

COLUMBIA COUNTY, FLORIDA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2018

TABLE OF CONTENTS

	PAGE NO.
FUND COMBINING STATEMENTS	
Sheriff Internal Service Fund	
Florida Sheriff's Multiple Employers' Trust Self Insured Consortium	
Statement of Net Assets and Changes in Net Assets	94
Statement of Changes in Fund Balance	95
Statement of Cash Flows	96
Nonmajor Governmental Funds	
Combining Balance Sheet	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	99
Combining Statement of Fiduciary Net Position	101
SINGLE AUDIT AND COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	
	103
Independent Auditors Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550, Rules of the Auditor General, Office of the Auditor General	
	105
Schedule of Expenditures of State Financial Assistance	108
Notes to Schedule of Expenditures of State Financial Assistance	109
Schedule of Findings	110
Management Letter	111
Independent Accountant's Report	114

INTRODUCTORY SECTION

COLUMBIA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

September 30, 2018

<u>Title</u>	<u>Name</u>
Board of County Commissioners	
District I	Ronald Williams
District II	Rusty DePratter
District III	Bucky Nash
District IV	Everett Phillips
District V	Timothy Murphy
County Attorney	Joel Foreman
Clerk of Circuit Court	P. DeWitt Cason
Property Appraiser	Jeff Hampton
Sheriff	Mark Hunter
Supervisor of Elections	Elizabeth P. Horne
Tax Collector	Ronnie Brannon

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**To the Board of County Commissioners
and Constitutional Officers
Columbia 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 Columbia County, Florida, as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements which collectively comprise Columbia County, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Columbia County, Florida as of September 30, 2018, and the respective changes in financial position and cash flows, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

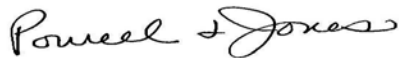
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 19, budgetary comparison information on pages 78 through 85 and pension and OPEB schedules on pages 86 through 92, be presented to supplement the basic financial 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 Columbia County, Florida's financial statements as a whole. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by *Chapter 10.550 Rules of the State of Florida, Office of the Auditor General*; and is not a required part of the financial statements. The Schedule of Expenditures of State Financial Assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining nonmajor fund financial statements, listed in the table of contents, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the 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 April 7, 2019 on our consideration of Columbia County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering the Columbia County, Florida's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
April 7, 2019

COLUMBIA COUNTY, FLORIDA
Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2018

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2018. The analysis provides summary financial information for the County and should be read in conjunction with the County's financial statements.

The County has implemented Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis.

Its intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at fiscal year end September 30, 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The **Government-wide financial statements** present an overall picture of the County's financial position and results of operations. The **Fund financial statements** present financial information for the County's major funds. The **Notes to the financial statements** provide additional information concerning the County's finances that are not disclosed in the government-wide or fund financial statements.

Government-wide financial statements

The government-wide financial statements consist of the **statement of net position** and the **statement of activities**, and are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by property and non ad valorem taxes, sales and use taxes, federal and state grants, and state shared revenues. Business-type activities are supported by charges to the users of those activities.

The statement of net position presents information on all assets and liabilities of the County, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Net position is reported in three categories: 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental Activities separate from those of business-type activities.

The **statement of activities** presents information on all revenues and expenses of the County and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the County. To assist in understanding the County's operations, expenses have been reported as

governmental activities or business-type activities. Governmental activities financed by the County include public safety, physical environment, transportation, economic environment, human services, culture and recreation, and general government services. Business-type activities financed by user charges include the landfill and sewer operations.

Fund financial statements

A fund is a separate accounting entity with a self-balancing set of accounts, and is used to maintain control over resources that have been segregated for specific activities or objectives in accordance with special regulations, restrictions, or limitations. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

Proprietary fund financial statements provide information on all assets and liabilities of the fund, changes in the economic resources (revenues and expenses), and total economic resources.

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances - budget and actual**, is provided for the County's general fund and major special revenue, capital projects, and debt service funds as required supplementary information. For the proprietary funds, which includes business-type activities, a **statement of net position**; a **statement of revenues, expenses, and changes in net position**; and a **statement of cash flows** are presented. A combining statement of fiduciary net position is presented for the County's agency funds.

Fund financial statements provide more detailed information about the County's activities. Individual funds are established by the County to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the County. The government-wide financial statements provide an overall picture of the County's financial standing, split between governmental activities and business-type activities. These statements are comparable to private-sector companies and give a good understanding of the County's overall financial health and how the County paid for the various activities, or functions, provided by the County. All assets of the County, including buildings, land, roads, and bridges are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds, landfill closure liabilities, and future employee benefits obligated but not paid by the County, are included. The **statement of activities** includes depreciation on all long lived assets of the County, but transactions between the different functions of the County have been eliminated in order to avoid "doubling up" the revenues and expenses.

The *fund financial statements* provide a picture of the major funds of the County and a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the fund financial statements to the *government wide financial statements*.

Notes to the financial statements

The **Notes to the financial statements** provide additional detail concerning the financial activities and financial balances of the County. Additional information about the accounting practices of the County, investments of the County, long-term debt, and pension plan are some of the items included in the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Total assets of the County exceeded total liabilities by \$145,110,467 (net position). Unrestricted net position for governmental activities was \$4,191,031 and for business-type activities was \$5,960,661. Governmental Activities restricted net position is \$18,967,402 and was \$-0- for Business-type Activities.

Total net position decreased by \$(1,032,812). Of that amount, \$(2,169,208) is attributable to Governmental Activities; which is primarily the result of the County's recognition and recording of its proportionate share of the Florida State Retirement System net pension liability. Business-type Activities net position increased by \$1,136,396.

Governmental Activities revenues increased by \$4,762,889 to \$69,379,937. This increase in revenue was due primarily to an increase in charges for services and sales and use taxes. Governmental Activities expenses increased by \$3,717,246 to \$71,304,124. This increase in expenses was primarily due to an increase in public safety and transportation related expenses.

Business-type activities revenues increased to \$4,517,848, and business-type expenses increased to \$3,626,473.

FINANCIAL ANALYSIS OF THE COUNTY

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At September 30, 2018, the assets of the County exceed liabilities by \$145,110,467.

The following schedule provides a summary of the assets, liabilities, and net position of the County.

Net Position

	Governmental	Business-type	Total Government	
			2018	2017
Assets				
Current assets	\$ 55,225,185	\$ 6,084,464	\$ 61,309,649	\$ 55,557,882
Restricted assets	-	7,476,540	7,476,540	7,443,401
Other Noncurrent assets	121,595,911	12,361,320	133,957,231	129,483,190
Total assets	176,821,096	25,922,324	202,743,420	192,484,473
Deferred Outflows of Resources				
County's proportionate share of				
FRS pension related	15,953,399	171,908	16,125,307	16,691,256
Liabilities				
Current liabilities (payable				
from current assets)	12,317,130	440,285	12,757,415	7,458,771
Current liabilities (payable				
from restricted assets)	-	948,238	948,238	921,820
Noncurrent liabilities	48,705,204	7,308,367	56,013,571	51,734,685
Total liabilities	61,022,334	8,696,890	69,719,224	60,115,276
Deferred Inflows of Resources				
County's proportionate share of				
FRS pension related	3,996,035	43,001	4,039,036	2,658,539
Net Position				
Net position invested in capital				
assets, net of related debt	104,597,693	11,393,680	115,991,373	118,520,866
Net position - restricted	18,967,402	-	18,967,402	19,920,973
Net position - unrestricted	4,191,031	5,960,661	10,151,692	7,960,075
Total net position	\$ 127,756,126	\$ 17,354,341	\$ 145,110,467	\$ 146,401,914

80.0% of the County's net position reflects its investment in capital assets (land, buildings, infrastructure, 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 13.1% of the County's net position represents resources that are dedicated or subject to restrictions on how they may be used. The remaining balance of unrestricted net position, 7.0%, may be used to meet the government's ongoing obligations to citizens and creditors.

The following schedule provides a summary of the changes in net position. Governmental activities expenses exceeded revenues and transfers in by \$(2,169,208). The decrease in Governmental Activities net position is due primarily to the increase in the County's proportionate share of the Florida State Retirement System net pension liability in the financial statements for the fiscal year ended September 30, 2018. There was an increase in Business-type Activities net position of \$1,136,396.

Changes in Net Position

	Governmental Activities	Business-type Activities	Total Government	
			2018	2017
Revenues:				
Program revenues				
Charges for services	\$ 18,493,841	\$ 3,812,583	\$ 22,306,424	\$ 20,407,493
Operating grants/ contributions	2,141,531	90,909	2,232,440	2,063,369
Capital grants/contributions	1,364,094	536,574	1,900,668	1,752,633
General revenues				
Property taxes	18,777,843	-	18,777,843	17,732,336
Sales and use taxes	14,614,699	-	14,614,699	13,248,655
Federal and State shared revenues	12,033,229	-	12,033,229	11,598,051
Interest	497,218	76,432	573,650	358,237
Other	1,457,482	1,350	1,458,832	1,707,986
Total revenues	69,379,937	4,517,848	73,897,785	68,868,760
Expenses:				
General government	11,794,856	-	11,794,856	11,066,764
Public safety	29,224,223	-	29,224,223	27,530,453
Physical environment	4,868,954	3,626,473	8,495,427	7,929,259
Transportation	15,324,918	-	15,324,918	14,389,240
Economic environment	2,001,826	-	2,001,826	1,863,493
Human services	2,682,829	-	2,682,829	2,709,880
Culture/recreation	2,870,307	-	2,870,307	2,729,304
Court related	2,238,904	-	2,238,904	2,230,799
Interest on long-term debt	297,307	-	297,307	213,063
Total expenses	71,304,124	3,626,473	74,930,597	70,662,255
Transfers in (out)	(245,021)	245,021	-	-
Increase (decrease) in net position	\$ (2,169,208)	\$ 1,136,396	\$ (1,032,812)	\$ (1,793,495)

Property taxes provide 27% of the revenues for Governmental Activities, while sales taxes provide 21%. Most of the Governmental Activities resources are spent for Public Safety (41%), General Government (16.54%), Transportation (21.49%), and Physical Environment (6.83%).

FUND FINANCIAL INFORMATION

Governmental Funds

General Fund

The County's General Fund is the main operating fund of the County. It is used to account for all financial resources that are not restricted by State or Federal laws, County Ordinances or other externally imposed requirements. As of September 30, 2018, total assets were \$14,037,385 and total liabilities were \$826,986. The ending fund balance was \$13,210,399; \$44,355 of which is restricted and an additional amount of \$1,456,812 was committed or assigned for specified projects.

During the year ended September 30, 2018, total revenues, \$32,926,344, exceeded total expenditures, \$13,372,990, by \$19,553,354. \$23,148,060 was transferred to other funds for operational and capital related purposes and \$772,355 was transferred in. The net decrease in the fund balance in the General Fund was therefore, (\$2,456,522).

During the fiscal year, the County amended and increased the General Fund budget by \$4,828,225, primarily due to recreation and public safety projects.

Other Governmental Funds

The *County Transportation Trust Fund* accounts for motor fuel taxes designated for the annual maintenance of roads, bridges, right-of-way, drainage systems, etc. The County has the legal authority to levy ad valorem taxes for the Transportation Fund, but has elected not to do so. During the year, expenditures and transfers out exceeded revenues and a gain on disposition of equipment by (\$103,752), resulting in an ending fund balance of \$5,521,480.

The *Municipal Services Fund* accounts for expenditures incurred for the solid waste collection and fire control services in the unincorporated area, and other services which primarily benefit residents of the unincorporated area of the County. Financing is provided by non-ad valorem assessments and other revenues derived from the unincorporated area. For the fiscal year ended September 30, 2018, expenditures and a transfer out exceeded revenues by (\$165,428).

The *Sheriff General Fund* is the general operating fund of the Sheriff, a Constitutional Officer. The primary source of funds are transfers from the Board of County Commission General Fund. Expenditures for the year were \$15,310,203 and by law this fund has no ending fund balance.

The *Clerk of Courts General Fund* is the general operating fund of the Clerk of the Circuit Court, a Constitutional Officer. The primary source of funds are various court related fees and service charges and transfers from the Board of County Commission General Fund. Expenditures for the year were \$2,237,192 and this fund also has no ending fund balance.

The *Economic Development Fund* accounts for expenditures associated with debt service and other outlays for economic development projects authorized by the Board of County Commissioners. During the year, revenues exceeded expenditures and transfers out by \$133,954, leaving an ending fund balance of \$647,345.

The *County Facilities Fund* accounts for the ongoing County facilities projects throughout the County. During the year, revenues, transfers in and debt proceeds exceeded expenditures and transfers out by \$658,691, leaving an ending fund balance of \$5,121,495.

The *Road Improvement Fund* accounts for the ongoing resurfacing and improvements to various roads within the County. Financing is provided by State construction grants and various transfers from other Board funds. During the year, expenditures exceeded revenues and transfers in \$(4,735,900) leaving an ending fund balance of \$3,462,973.

General Fund Budget

Actual revenues and transfers in for the General Fund exceeded budgeted revenue by \$238,329. Budgeted expenditures and transfers out were greater than actual by \$2,853,288. This was primarily due to capital projects which were not completed in the 2018 fiscal year.

Proprietary Funds

The *Landfill Enterprise Fund* accounts for the revenues, expenses, assets, and liabilities associated with the County-operated solid waste disposal facility. This fund is substantially financed by tippage fees charged to users of the services. Total assets as of September 30, 2018, were \$21,412,584, total liabilities were \$7,692,551, net deferred outflows/inflows related to the Florida State Retirement System pension liability were \$128,907 and net position was \$13,848,940. Total income, including interest and grants, was \$3,817,643 and total expenses were \$3,239,841, leaving a change in net position of \$577,802. This brought net position to \$13,848,940.

The *Utilities Fund* accounts for the financial activities associated with the County operated water and sewer services. Total assets at September 30, 2018 were \$5,963,609, total liabilities were \$2,458,208, and net position was \$3,505,401. Total income and transfers in were \$945,226. Total expenses, including interest expense, were \$386,632, leaving a net change in net position of \$558,594.

CAPITAL ASSETS ACTIVITY

The County's capital assets for its governmental and business-type activities as of September 30, 2018, is \$133,912,233 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress, net of depreciation. General fixed assets are recorded at cost. For assets purchased before 2003, assets were recorded at cost or fair market value.

The most significant change in capital assets during the fiscal year was the ongoing construction of various road and other capital projects.

The following schedule provides a summary of the County's capital assets balances for the year ended September 30, 2018, compared to the prior year:

Capital Assets

	Governmental Activities	Business-type Activities	Total Government	
			2018	2017
Land and land interests	\$ 11,354,010	\$ 2,087,118	\$ 13,441,128	\$ 13,187,008
Construction in progress	15,641,956	61,750	15,703,706	9,505,544
Infrastructure	180,943,189	-	180,943,189	167,614,077
Buildings and improvements	50,008,686	18,571,046	68,579,732	77,261,110
Equipment	28,694,141	3,974,112	32,668,253	29,486,633
	<u>286,641,982</u>	<u>24,694,026</u>	<u>311,336,008</u>	<u>297,054,372</u>
Less accumulated depreciation	(165,091,069)	(12,332,706)	(177,423,775)	(167,616,180)
Total	<u>\$ 121,550,913</u>	<u>\$ 12,361,320</u>	<u>\$ 133,912,233</u>	<u>\$ 129,438,192</u>

DEBT MANAGEMENT

Governmental Activities Debt

During the year, total long-term debt increased by \$8,815,533. This was primarily due to the County's issuance of a revenue note in the amount of \$8,060,000 to finance capital improvements within the County. The following schedule shows the balances of the County's long-term debt at year end:

Revenue bonds	\$ 15,044,278
Capital leases	1,908,942
Compensated absences	2,283,463
County's proportionate share FRS pension liability	37,526,826
Other post-employment benefits	259,760
	<u>\$ 57,023,269</u>

Business-type Activities Debt

The County has received loans from the Florida Department of Environmental Protection in support of its utility services. The total balances payable of these loans was \$967,640 at September 30, 2018.

The County also had a liability for compensated absences of \$35,049 of which \$29,791 was long-term and an estimated landfill closure and post-closure liability \$6,940,724 at year end. The enterprise fund share of the County's proportionate share of the FRS pension liability was \$404,375.

OTHER FINANCIAL INFORMATION

Economic Factors and Next Year's Budget

- The current unemployment rate for the County, was 3.1%.
- The estimated population for the County in 2018 was 70,503.
- The ad valorem tax millage rate for the County was 8.015 mills in 2018, which was the same as the prior year. During the ensuing year, the millage rate was kept at the same rate.

REQUEST FOR INFORMATION

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. Questions concerning this report or requests for additional information should be addressed to the County Manager, P. O. Drawer 1529, Lake City, Florida 32025, or by calling (386) 758-1005.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities	Business - type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 20,829,994	\$ 959,870	\$ 21,789,864
Accounts receivable	245,876	473,766	719,642
Internal balances	1,453,869	(1,453,869)	-
Due from agency funds	324,065	-	324,065
Due from other governmental units	2,345,746	-	2,345,746
Inventories	109,101	-	109,101
Prepaid expenses	438,761	-	438,761
Investments	29,452,548	6,104,697	35,557,245
Other current assets	25,225	-	25,225
Total current assets	55,225,185	6,084,464	61,309,648
Noncurrent Assets			
Restricted assets			
Cash	-	98,344	98,344
Investments	-	7,378,196	7,378,196
Total restricted assets	-	7,476,540	7,476,540
Notes receivable	44,998	-	44,998
Capital assets, net	121,550,913	12,361,320	133,912,233
Total noncurrent assets	121,595,911	19,837,860	141,433,771
Total assets	176,821,096	25,922,324	202,743,419
DEFERRED OUTFLOWS OF RESOURCES			
County's proportionate share of FRS pension related	15,953,399	171,908	16,125,307
LIABILITIES			
Current Liabilities			
Accounts payable	2,688,270	310,629	2,998,899
Accrued wages	121,615	6,371	127,986
Accrued payroll liabilities	507,915	-	507,915
Due to other governmental units	87,253	-	87,253
Accrued compensated absences	342,820	5,258	348,078
Interest payable	15,300	4,619	19,919
Deposits	2,500	27,482	29,982
Unearned revenue	165,903	-	165,903
Current portion County's proportionate share FRS pension liability	7,974,120	85,926	8,060,046
OPEB Liability	1,125	-	1,125
Other current liabilities	410,309	-	410,309
Total current liabilities	12,317,130	440,285	12,757,415
Current Liabilities Payable from Restricted Assets			
Landfill postclosure costs	-	948,238	948,238
	-	948,238	948,238
Noncurrent Liabilities			
Due within one year:			
Notes and loans payable	-	112,514	112,514
Capital leases	622,969	-	622,969
Bonds payable	1,185,118	-	1,185,118
Due in more than one year:			
Notes and loans payable	-	855,126	855,126
Capital leases	1,285,973	-	1,285,973
Bonds payable	13,859,160	-	13,859,160
Accrued compensated absences	1,940,643	29,792	1,970,435
OPEB Liability	258,635	-	258,635
Estimated landfill closure liability	-	5,992,486	5,992,486
County proportionate share FRS pension liability	29,552,706	318,449	29,871,155
Total noncurrent liabilities	48,705,204	7,308,367	56,013,571
Total liabilities	61,022,334	8,696,890	69,719,224

(Continued)

COLUMBIA COUNTY, FLORIDA

STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities	Business - type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
County's proportionate share of FRS pension related and OPEB	\$ 3,996,035	\$ 43,001	\$ 4,039,036
NET POSITION			
Invested in capital assets, net of related debt	104,597,693	11,393,680	115,991,373
Restricted	18,967,402	-	18,967,402
Unrestricted	4,191,031	5,960,661	10,151,692
Total net position	\$ 127,756,126	\$ 17,354,341	\$ 145,110,467

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2018

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Functions/Programs							
Governmental Activities							
General Government	\$ 11,794,856	\$ 3,417,547	\$ 105,366	\$ -	\$ (8,271,943)	\$ -	\$ (8,271,943)
Public Safety	29,224,223	8,977,074	559,129	-	(19,688,020)	-	(19,688,020)
Physical Environment	4,868,954	3,727,462	-	-	(1,141,492)	-	(1,141,492)
Transportation	15,324,918	18,631	31,383	1,235,962	(14,038,942)	-	(14,038,942)
Economic Environment	2,001,826	-	562,594	-	(1,439,232)	-	(1,439,232)
Human Services	2,682,829	747	117,072	128,132	(2,436,878)	-	(2,436,878)
Culture/recreation	2,870,307	113,439	638,541	-	(2,118,327)	-	(2,118,327)
Court-related	2,238,904	2,238,941	127,446	-	127,483	-	127,483
Interest on long-term debt	297,307	-	-	-	(297,307)	-	(297,307)
Total governmental activities	71,304,124	18,493,841	2,141,531	1,364,094	(49,304,658)	-	(49,304,659)
Business - type activities							
Physical Environment							
Landfill and utilities	3,626,473	3,812,583	90,909	536,574	-	813,593	813,593
Total government	74,930,597	22,306,424	2,232,440	1,900,668	(49,304,658)	813,593	(48,491,066)
General revenues							
Ad valorem taxes					18,777,843	-	18,777,843
Sales and use taxes					14,136,845	-	14,136,845
Franchise taxes					96,711	-	96,711
Federal payments in lieu of taxes					381,143	-	381,143
Federal and state shared revenue					12,033,229	-	12,033,229
Interest					497,218	76,432	573,650
Gain (loss) on disposition of fixed assets					748,639	1,350	749,989
Rents and royalties					2,369	-	2,369
Miscellaneous					706,474	-	706,474
Transfers in (out)					(245,021)	245,021	-
Total general revenues					47,135,450	322,803	47,458,253
Change in net position					(2,169,208)	1,136,396	(1,032,813)
Net position beginning of year					130,183,970	16,217,945	146,401,915
Prior period adjustment					(258,636)	-	(258,636)
Net position end of year					\$ 127,756,126	\$ 17,354,341	\$ 145,110,466

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2018**

	Special Revenue Funds					Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	County Transportation Trust	Municipal Services	Clerk of Courts Operating	Sheriff Operating	Economic Development	County Facilities	Road Improvement		
ASSETS										
Cash	\$ 1,353,711	\$ 1,532,112	\$ 309,776	\$ 213,574	\$ 1,177,852	\$ 239,965	\$ 5,170,079	\$ 1,172,896	\$ 9,624,491	\$ 20,794,456
Accounts receivable	180,913	3,684	39,433	-	-	1	-	2,227	15,675	241,933
Notes receivable	-	-	-	-	-	44,998	-	-	-	44,998
Due from other funds	1,501,441	331,730	485,769	157,134	88,130	-	-	-	496,080	3,060,284
Due from other governmental units	1,291,462	657,371	40,508	10,454	54,984	21,329	3,000	16,454	250,184	2,345,746
Inventories	-	109,101	-	-	-	-	-	-	-	109,101
Prepaid expenses	-	356,845	-	-	76,916	5,000	-	-	-	438,761
Investments	9,697,812	2,847,948	3,505,578	-	-	376,062	-	3,032,781	9,992,367	29,452,548
Other current assets	12,046	3,844	-	-	9,335	-	-	-	-	25,225
Total assets	\$ 14,037,385	\$ 5,842,635	\$ 4,381,064	\$ 381,162	\$ 1,407,217	\$ 687,355	\$ 5,173,079	\$ 4,224,358	\$ 20,378,797	\$ 56,513,052
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 397,591	\$ 283,569	\$ 347,614	\$ 4,265	\$ 411,170	\$ 38,057	\$ 49,084	\$ 761,385	\$ 394,959	\$ 2,687,694
Due to other funds	334,659	-	-	170,430	380,391	-	-	-	396,870	1,282,350
Due to other governmental units	-	-	-	65,399	-	-	-	-	21,854	87,253
Accrued wages	49,998	-	50,992	-	-	1,953	-	-	18,672	121,615
Accrued payroll liabilities	44,738	37,586	4,032	15,292	398,690	-	-	-	7,577	507,915
Deposits	-	-	-	-	-	-	2,500	-	-	2,500
Unearned revenues	-	-	7,355	125,776	-	-	-	-	32,772	165,903
Other current liabilities	-	-	335	-	216,966	-	-	-	-	217,301
Total liabilities	826,986	321,155	410,328	381,162	1,407,217	40,010	51,584	761,385	872,704	5,072,531
Fund balances										
Nonspendable:										
Inventories	-	109,101	-	-	-	-	-	-	-	109,101
Notes receivable	-	-	-	-	-	44,998	-	-	-	44,998
Advance	971,030	-	-	-	-	-	-	-	-	971,030
Restricted	44,355	5,412,379	3,970,736	-	-	-	-	-	9,539,932	18,967,402
Committed	940,532	-	-	-	-	-	-	-	-	940,532
Assigned	516,280	-	-	-	-	602,347	5,121,495	3,462,973	9,966,161	19,669,256
Unassigned	10,738,202	-	-	-	-	-	-	-	-	10,738,202
Total fund balances	13,210,399	5,521,480	3,970,736	-	-	647,345	5,121,495	3,462,973	19,506,093	51,440,521
Total liabilities and fund balances	\$ 14,037,385	\$ 5,842,635	\$ 4,381,064	\$ 381,162	\$ 1,407,217	\$ 687,355	\$ 5,173,079	\$ 4,224,358	\$ 20,378,797	

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

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds:	121,550,913
Long-term debt transactions are not due and payable in the current period and therefore are not reported in the funds:	
Interest payable	(15,300)
Bonds payable	(15,044,278)
Capital leases	(1,908,942)
Accrued compensated absences	(2,283,463)
County's proportionate share of FRS net pension liability and related deferred outflow/inflows	(25,569,462)
OPEB obligation	(259,760)
Internal service fund	(154,103)
Net position of governmental activities	\$ 127,756,126

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended September 30, 2018**

	Special Revenue Funds						Capital Projects Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	County Transpor- tation Trust	Municipal Services	Clerk of Courts Operating	Sheriff Operating	Economic Development	County Facilities	Road Improvement		
REVENUES										
Taxes	\$ 23,783,310	\$ 4,755,743	\$ 825,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 3,678,470	\$ 33,192,523
Licenses and permits, special assessments	20,632	-	10,042,561	-	-	-	-	-	17,940	10,081,133
Intergovernmental	6,566,853	4,391,382	279,686	156,841	121,783	1,482,260	-	1,267,345	1,220,776	15,486,926
Charges for services	2,175,522	5,615	96,342	1,649,240	179,105	-	31,025	-	2,536,399	6,673,248
Fines and forfeitures	59,334	-	-	89,914	-	-	-	-	114,650	263,898
Interest	216,356	36,643	44,418	-	1,359	4,402	29,018	58,669	106,353	497,218
Miscellaneous	104,337	225,636	17,093	-	169,347	-	16,176	-	125,055	657,644
Total revenues	32,926,344	9,415,019	11,305,100	1,895,995	471,594	1,486,662	76,219	1,476,014	7,799,643	66,852,590
EXPENDITURES										
Current expenditures										
General government	4,862,685	-	338,931	745,860	-	-	24,976	-	4,235,404	10,207,856
Public safety	3,280,840	-	6,359,173	-	14,246,140	-	82,767	-	185,764	24,154,684
Physical environment	1,264,254	-	3,490,648	-	-	-	-	-	-	4,754,902
Transportation	-	6,879,904	-	-	-	-	-	568,657	-	7,448,561
Economic environment	175,461	-	11,508	-	-	586,865	-	-	1,103,346	1,877,180
Human services	2,623,503	-	-	-	-	-	-	-	-	2,623,503
Culture/recreation	670,308	-	-	-	-	-	322,284	-	1,459,828	2,452,420
Court-related	-	-	-	1,491,332	-	-	-	-	654,723	2,146,055
Capital outlay										
General government	62,352	-	-	-	-	-	-	-	124,656	187,008
Public safety	98,576	-	679,098	-	1,064,064	-	3,490,436	-	558,180	5,890,354
Physical environment	99,356	-	-	-	-	-	121,461	-	-	220,817
Transportation	-	2,379,358	-	-	-	-	-	6,016,757	-	8,396,115
Economic environment	-	-	-	-	-	15,079	-	-	36,039	51,118
Human services	61,696	-	-	-	-	-	-	-	-	61,696
Culture/recreation	173,959	-	-	-	-	-	137,218	-	-	311,177
Court related	-	-	-	-	-	-	-	-	66,902	66,902
Debt services										
Principal	-	252,441	291,653	-	-	515,978	-	-	957,544	2,017,616
Interest	-	17,629	49,517	-	-	9,786	-	-	220,375	297,307
Total expenditures	13,372,990	9,529,332	11,220,528	2,237,192	15,310,204	1,127,708	4,179,142	6,585,414	9,602,761	73,165,271
Excess of revenues over (under) expenditure	19,553,354	(114,313)	84,572	(341,197)	(14,838,610)	358,954	(4,102,923)	(5,109,400)	(1,803,118)	(6,312,681)
Other financing sources (uses)										
Sale of fixed assets	365,834	103,478	-	-	-	-	-	-	-	469,312
Debt proceeds	-	1,607,083	-	-	-	-	8,013,000	-	47,000	9,667,083
Interfund transfers in	772,350	-	-	341,197	14,838,610	-	4,790,632	373,500	29,168,826	50,285,115
Interfund transfers out	(23,148,060)	(1,700,000)	(250,000)	-	-	(225,000)	(8,042,018)	-	(17,148,537)	(50,513,615)
Total other financing sources (uses)	(22,009,876)	10,561	(250,000)	341,197	14,838,610	(225,000)	4,761,614	373,500	12,067,289	9,907,895
Net change in fund balances	(2,456,522)	(103,752)	(165,428)	-	-	133,954	658,691	(4,735,900)	10,264,171	3,595,214
Fund balances beginning of year	15,666,921	5,625,232	4,136,164	-	-	513,391	4,462,804	8,198,873	9,241,922	47,845,307
Fund balances end of year	\$ 13,210,399	\$ 5,521,480	\$ 3,970,736	\$ -	\$ -	\$ 647,345	\$ 5,121,495	\$ 3,462,973	\$ 19,506,093	\$ 51,440,521

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended September 30, 2018

Net change in fund balances - total governmental funds \$ 3,595,214

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	\$ 15,185,187	
Less current year depreciation and adjustments	<u>(10,533,289)</u>	
		4,651,898

Repayments of notes, capital leases and bonds are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Debt proceeds increase fund balance in governmental funds but are increases in liabilities in the Statement of Net Position.

Proceeds of long-term debt	(9,667,083)	
Capital lease principal payments and other reductions	788,418	
Bond principal payments	<u>1,765,175</u>	
		(7,113,490)

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	(188,416)	
Net change in accrued interest expense	(1,833)	
Net change in the OPEB obligation	(1,124)	
Net change in the County's proportionate share FRS pension liability and deferred outflows and inflows	<u>(3,012,679)</u>	
		(3,204,052)

Internal service funds are used by management to account for the Sheriff portion of costs in a self-insured health insurance consortium.

(98,778)
<u>\$ (2,169,208)</u>

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018**

	Business type -Activities Enterprise Funds			Governmental Activities - Internal Service Fund
	Landfill Enterprise	Utilities	Total	
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 264,633	\$ 695,237	\$ 959,870	\$ 35,538
Accounts receivable net of allowance for uncollectible accounts	461,698	12,068	473,766	3,843
Investments	6,104,697	-	6,104,697	-
Total current assets	6,831,028	707,305	7,538,333	39,381
Noncurrent Assets				
Restricted assets				
Cash	98,344	-	98,344	-
Investments	7,378,196	-	7,378,196	-
Total restricted assets	7,476,540	-	7,476,540	-
Fixed assets				
Land	908,279	1,178,839	2,087,118	-
Buildings	508,514	131,200	639,714	-
Improvements other than buildings	12,308,841	5,622,491	17,931,332	-
Equipment	3,893,880	80,232	3,974,112	-
Construction in progress	61,750	-	61,750	-
Allowance for depreciation	(10,576,248)	(1,756,458)	(12,332,706)	-
Total fixed assets	7,105,016	5,256,304	12,361,320	-
Total noncurrent assets	14,581,556	5,256,304	19,837,860	-
Total assets	21,412,584	5,963,609	27,376,193	39,381
DEFERRED OUTFLOWS OF RESOURCES				
Florida Retirement System pension related	171,908	-	171,908	-
LIABILITIES				
Current Liabilities				
Accounts payable	287,659	22,970	310,629	576
Accrued wages	6,371	-	6,371	-
Due to other funds	-	1,453,869	1,453,869	-
Interest payable	-	4,619	4,619	-
Accrued compensated absences	5,258	-	5,258	-
Deposits	18,372	9,110	27,482	-
Note payable, short-term portion	-	112,514	112,514	-
Line of credit	-	-	-	87,789
Current portion County's share FRS net pension liability	85,926	-	85,926	-
Incurred but not reported (IBNR) liability	-	-	-	105,219
Total current liabilities	403,586	1,603,082	2,006,668	193,584
Current Liabilities Payable from Restricted Assets				
Landfill postclosure costs	948,238	-	948,238	-
Total current liabilities payable from restricted assets	948,238	-	948,238	-

(Continued)

COLUMBIA COUNTY, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018**

	Business type -Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill Enterprise	Utilities	Total	
Noncurrent Liabilities				
Share of Florida State Retirement pension liability	\$ 318,449	\$ -	\$ 318,449	\$ -
Loan payable Department of Environmental Protection	-	855,126	855,126	-
Estimated landfill closure liability	5,992,486	-	5,992,486	-
Accrued compensated absences	29,792	-	29,792	-
Total noncurrent liabilities	<u>6,340,727</u>	<u>855,126</u>	<u>7,195,853</u>	<u>-</u>
Total liabilities	<u>7,692,551</u>	<u>2,458,208</u>	<u>10,150,759</u>	<u>193,584</u>
DEFERRED INFLOWS OF RESOURCES				
Florida Retirement System pension related	43,001	-	43,001	-
NET POSITION				
Invested in capital assets, net of related debt	7,105,016	4,288,664	11,393,680	-
Reserved	-	-	-	(154,103)
Unrestricted (deficit)	6,743,924	(783,263)	5,960,661	-
Total net position	<u>\$ 13,848,940</u>	<u>\$ 3,505,401</u>	<u>\$ 17,354,341</u>	<u>\$ (154,103)</u>

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2018

	Business type -Activities Enterprise Funds			Governmental Activities - Internal Service Fund
	Landfill Enterprise	Utilities	Totals	
OPERATING REVENUES				
Licenses and permits	\$ -	\$ 7,118	\$ 7,118	\$ -
Charges for services				
Public safety	-	-	-	1,647,278
Physical environment				
Garbage/solid waste revenue	3,638,397	-	3,638,397	-
Water and wastewater revenue	-	149,724	149,724	-
Miscellaneous	17,344	-	17,344	3,298
Total operating revenues	3,655,741	156,842	3,812,583	1,650,576
OPERATING EXPENSES				
Public safety				
Operating expenses	-	-	-	1,749,354
Landfill and water/wastewater utilities				
Personnel services	446,185	-	446,185	-
Operating expenses	2,154,059	73,337	2,227,396	-
Depreciation	639,597	288,330	927,927	-
Total landfill and water/wastewater utilities	3,239,841	361,667	3,601,508	-
Total operating expenses	3,239,841	361,667	3,601,508	1,749,354
Operating income (loss)	415,900	(204,825)	211,075	(98,778)
NONOPERATING REVENUES (EXPENSES)				
State grants				
Physical environment				
State grants	90,909	536,574	627,483	-
Gain (loss) on disposal of capital assets	-	1,350	1,350	-
Interest earnings	70,993	5,439	76,432	-
Debt service costs				
Interest	-	(24,965)	(24,965)	-
Total nonoperating revenues (expenses)	161,902	518,398	680,300	-
Change in net position before operating transfers	577,802	313,573	891,375	(98,778)
Operating transfers in	-	245,021	245,021	-
Change in net position after operating transfers	577,802	558,594	1,136,396	(98,778)
Net position at beginning of year	13,271,138	2,946,807	16,217,945	(55,325)
Net position at end of year	\$ 13,848,940	\$ 3,505,401	\$ 17,354,341	\$ (154,103)
See notes to financial statements.				

COLUMBIA COUNTY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Fiscal Year Ended September 30, 2018

	<u>Landfill Enterprise</u>	<u>Utilities</u>	<u>Total</u>
Cash Flows From Operating Activities			
Cash flows received from customers	\$ 2,154,906	\$ 46,017	\$ 2,200,923
Cash paid to employees	(450,694)	-	(450,694)
Cash paid for employee benefits	(150,444)	-	(150,444)
Cash paid to vendors	(874,948)	(154,407)	(1,029,355)
Net cash provided (used) by operating activities	<u>678,820</u>	<u>(108,390)</u>	<u>570,430</u>
Cash Flows From Noncapital Financing Activities			
State grants received	70,588	34,329	104,917
Transfers in from other funds	-	300,000	300,000
Net cash provided by noncapital financing activities	<u>70,588</u>	<u>334,329</u>	<u>404,917</u>
Cash Flows From Capital and Related Financing Activities			
Payments to acquire or construct capital assets	(2,446,831)	(27,199)	(2,474,030)
Sale of surplus equipment	87,163	-	87,163
Proceeds of DEP loan	-	6,058	6,058
Principal paid on bonds	-	(97,162)	(97,162)
Interest paid on capital debt	-	(38,340)	(38,340)
Net cash used for capital and related financing activities	<u>(2,359,668)</u>	<u>(156,643)</u>	<u>(2,516,311)</u>
Cash Flows From Investing Activities			
Interest received	9,960	186	10,146
Increase in investments	(15,818)	-	(15,818)
Net cash provided (used) by investing activities	<u>(5,858)</u>	<u>186</u>	<u>(5,672)</u>
Net increase (decrease) in cash	(1,616,118)	69,482	(1,546,636)
Cash at beginning of year	6,556,931	108,033	6,664,964
Cash at end of year	<u>\$ 4,940,813</u>	<u>\$ 177,515</u>	<u>\$ 5,118,328</u>

(Continued)

COLUMBIA COUNTY, FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Fiscal Year Ended September 30, 2018

	Business - Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill Enterprise	Utilities	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (loss)	\$ 415,900	\$ (204,825)	\$ 211,075	\$ (98,778)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	639,597	288,330	927,927	-
Net pension liability	(314,099)	-	(314,099)	-
Landfill post-closure liability	1,071,095	-	1,071,095	-
(Increase) decrease in assets:				
Accounts receivable	(2,089)	(3,203)	(5,292)	124,065
Increase (decrease) in liabilities:				
Accounts payable	54,409	(575,763)	(521,354)	(1,693)
Due to other funds	-	-	-	-
Accrued wages	(2,122)	-	(2,122)	-
Accrued compensated absences	(7,563)	-	(7,563)	-
Deposits	1,050	590	1,640	-
Reserve for unpaid claims and claims adjustment expenses	-	-	-	(43,008)
Total adjustments	1,440,278	(290,046)	1,150,232	79,364
Net cash provided by (used for) operating activities	\$ 1,856,178	\$ (494,871)	\$ 1,361,307	\$ (19,414)

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2018

ASSETS	
Cash	\$ 3,885,455
Accounts receivable	5,384
Total assets	\$ 3,890,839
LIABILITIES	
Accounts payable	\$ 314
Cash bond liability	41,016
Court fees payable	292,580
Deposits held in escrow	152,386
Due to other funds	324,065
Due to other governmental units	2,031,238
Tax deeds payable	538,545
Other current liabilities	510,695
Total liabilities	3,890,839
NET POSITION	\$ -

See notes to financial statements.

COLUMBIA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Columbia County, Florida, (the "County") is a political subdivision of the State pursuant to Article VIII, Section 1(a) of the Constitution of the State of Florida. The County is governed by the Board of County Commissioners and five elected constitutional officers (Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector) in accordance with State statutes and regulations. The constitutional officers maintain separate accounting records and budgets from the Board of County Commissioners. The Constitution of the State of Florida, Article VIII, Section 1(d) created the constitutional officers and Article VIII, Section 1(e), created the Board of County Commissioners.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund types in accordance with GASB Statement 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the Board) and its component units. However, some component units, because of the closeness of their relationships with the Board, should be blended as though they are part of the Board. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the Board), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing body, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any, should be included in the Board's special purpose financial statements. Management determined that there were no organizations that should be included in the County's financial statements as a component unit.

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and agency fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement 33 - Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry, if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. As applicable, the County also chooses to eliminate the indirect costs between governmental activities to avoid a "doubling up" effect.

2. Fund Financial Statements

The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be 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 or expenses, as appropriate. Governmental 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.

Fund financial statements for the primary government's governmental and proprietary funds are presented after the government-wide financial statements. These statements display information about major funds individually, and nonmajor funds in the aggregate for governmental and enterprise funds.

Governmental Funds

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 collected 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, 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 only when cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources." Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Any noncurrent portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus.

Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds

The County's Landfill Enterprise Fund and Utilities Fund are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. The County applies all GASB pronouncements as well as all FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

C. Basis of Presentation

GASB Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The County has used GASB 34 minimum criteria for major fund determination and has also electively disclosed funds which either had debt outstanding or specific community focus as major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

1. Governmental Major 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.

County Transportation Trust Fund - The County Transportation Trust Fund accounts for expenditures incurred for the maintenance and repairs of County roads. Financing is provided by local option fuel taxes and distributions of state shared fuel taxes and other revenues.

Municipal Services Fund - The Municipal Services Fund accounts for expenditures incurred for the solid waste collection and fire services in the unincorporated area, and other services which primarily benefit residents of the unincorporated area of the County. Financing is provided by non ad valorem assessments and other revenues derived from the unincorporated area.

Clerk of Courts Operating Fund - The Operating Fund of the Clerk of Circuit Court is used to account for all financial resources which are generated from operations of the Office or any other resources not required to be accounted for in another fund.

Sheriff Operating Fund - The Operating Fund of the Sheriff is used to account for all financial resources, which are generated from operations of the office or any other resources not required to be accounted for in another fund.

Economic Development Fund - The Economic Development Fund accounts for expenditures associated with debt service and other outlays for economic development projects authorized by the Board of County Commissioners.

County Facilities Fund - The County Facilities Fund accounts for ongoing capital projects related to the County's major facilities and infrastructure.

Road Improvement Fund - The Road Improvement Fund accounts for the ongoing resurfacing and improvements to various roads within the County. Financing is provided by State construction grants and various transfers from other County funds.

2. Proprietary Funds:

Landfill Enterprise Fund - The Landfill Enterprise Fund accounts for the revenues, expenses, assets, and liabilities associated with the County operated solid waste disposal services.

Utilities Fund - The Utilities Fund accounts for revenues, expenses, assets and liabilities associated with the County operated water and sewer services.

3. Non-current Governmental Assets/Liabilities:

GASB Statement 34 requires noncurrent governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds and capital leases, to be reported in the governmental activities column in the government-wide statement of net position.

D. Assets, Liabilities and Net Position or Equity

1. Cash and Cash Equivalents

The County maintains a cash pool that is available for use by most funds. Earnings from the pooled cash are allocated to the respective funds based on applicable cash participation by each fund. The cash pool is managed such that all participating funds have the ability to deposit and withdraw cash as if they were demand deposit accounts. Therefore, all balances representing participants' equity in the cash pools are classified as cash and cash equivalents for financial statement purposes. In addition, longer-term investments are held by certain of the County's funds and are reported as investments on these statements.

2. Investments

Investments, consisting of investments in the Florida Local Government Surplus Funds Trust Fund and Florida Counties Investment Trust Fund and money market funds, are stated at cost which approximates market value. All such investments are secured as required by State law. Other investments of the County are stated at market value as described in note 4.

3. Allowance for Doubtful Accounts

The County provides an allowance for Landfill Enterprise Fund accounts receivable that may become uncollectible. At September 30, 2018, this allowance was \$16,716. No other allowances for doubtful accounts are maintained since other fund accounts receivable are considered collectible as reported at September 30, 2018.

4. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All receivables are shown net of an allowance for doubtful accounts. Any receivables in excess of 180 days would comprise the trade accounts receivable allowance for doubtful accounts.

5. Inventories

Inventories are valued at cost, which approximates market, using the “first-in, first-out” method of accounting. Supplies inventories of certain governmental funds are recorded as expenditures when consumed rather than when purchased.

6. Restricted Assets

Certain net position of the County is classified as restricted assets on the statement of net position because its use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributions, or laws or regulations of other governments. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

7. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, County-administered Special Revenue Funds, Capital Projects Funds, and the Enterprise Funds. Material encumbrances outstanding at year end, if any, are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Except for roads and bridges constructed prior to October 1, 1981, assets are recorded at historical cost. Roads and bridges constructed prior to October 1, 1981 are reported at estimated historical cost, or not reported. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The County holds legal title to the capital assets used in the operations of the Board, Clerk of the Circuit Court, Property Appraiser, Supervisor of Elections and Tax Collector, as is accountable for them under Florida Law.

The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations.

Property, plant, and equipment of the County, as well as component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and improvements	5 - 40
Machinery and equipment	3 - 12
Road and bridge construction	20 - 40

9. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes 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. A deferred charge on refunding, if any, is reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

10. Net position flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

11. Fund balance flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources) the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Program revenue

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by given function or segments and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes and other internally dedicated resources are reported as general revenues rather than as program revenues.

13. Capitalization of Interest

Interest costs related to bond issues are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments.

14. Unearned Revenues

Unearned revenues reported in government-wide financial statements represent revenues received, but not earned in accordance with grant or other contractual requirements. These unearned revenues reported in governmental fund financial statements represent amounts which are measurable but not available and, in accordance with the modified accrual basis of accounting, are recognized as revenue in the fiscal year in which they are earned.

15. Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The noncurrent portion is the amount estimated to be used in subsequent fiscal years. Both the current and noncurrent estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentation.

16. Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and

pledged revenues over the yield rate of the applicable debt. The County uses the “revenue reduction” approach in accounting to rebatable arbitrage. This approach treats excess earnings as a reduction of revenue. The County has no arbitrage liability outstanding as of September 30, 2018.

17. Landfill Closure Costs

Under the terms of current state and federal regulations, the County was required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of twenty years after closure. The County recognizes these costs of post-closure maintenance annually. Required obligations for closure and post-closure costs are recognized in the Landfill Fund.

18. Capital Contributions

The capital contributions from developers are reported after nonoperating revenues and expenses on the statement of revenues, expenses, and changes in fund assets in accordance with GASB Statement 33.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

“Total fund balances” of the County’s governmental funds, \$51,440,521, differs from “net position” of governmental activities, \$127,756,126, reported in the statement of net position. This difference primarily results from the long-term economical focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet.

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position included those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 286,641,982
Accumulated depreciation	<u>(165,091,069)</u>
Total	<u><u>\$ 121,550,913</u></u>

Long-term debt transactions

Long-term liabilities applicable to the County’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2018, were:

Revenue notes/Bonds payable	\$ 15,044,278
Accrued interest	15,300
Capital leases payable	1,908,942
Compensated absences	2,283,463
OPEB Liability	259,760
County's proportionate share FRS net pension liability	37,526,826
Total	<u>\$ 57,038,569</u>

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position in a future period while deferred inflows of resources represent an acquisition of net position in a future period and accordingly, are not reported in the governmental fund statements. However, the statement of net position includes those deferred outflows /inflows of resources.

Deferred outflows of resources	\$ 15,953,399
Deferred inflows of resources	<u>(3,996,035)</u>
	<u>\$ 11,957,364</u>

Internal service funds

The assets, liabilities and net position of governmental internal service funds are combined with governmental balances on the governmental statement of net position.

Assets	\$ 39,481
Liabilities	<u>(193,584)</u>
Net position	<u>\$ (154,103)</u>

Elimination of interfund receivables/payable

Interfund receivables and payables in the amount of \$1,282,350 between governmental funds must be eliminated for the statement of net position.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Deferred Outflow/Inflows of Resources	Internal Service Fund	Reclassifications and Eliminations	Statement of Net Position
ASSETS							
Cash and cash equivalents	\$ 20,794,456	\$ -	\$ -	\$ -	\$ 35,538	\$ -	\$ 20,829,994
Accounts receivable - net	241,933	-	-	-	3,943	-	245,876
Due from other funds	3,060,284	-	-	-	-	(1,282,350)	1,777,934
Due from other governmental units	2,345,746	-	-	-	-	-	2,345,746
Note receivable	44,998	-	-	-	-	-	44,998
Investments	29,452,548	-	-	-	-	-	29,452,548
Inventories	109,101	-	-	-	-	-	109,101
Prepaid expense	438,761	-	-	-	-	-	438,761
Other current assets	25,225	-	-	-	-	-	25,225
Capital assets - net	-	121,550,913	-	-	-	-	121,550,913
Total assets	56,513,052	121,550,913	-	-	39,481	(1,282,350)	176,821,096
DEFERRED OUTFLOWS OF RESOURCES							
	-	-	-	15,953,399	-	-	15,953,399
LIABILITIES							
Liabilities:							
Accounts payable	\$ 2,687,694	\$ -	\$ -	\$ -	\$ 576	\$ -	\$ 2,688,270
Due to other funds	1,282,350	-	-	-	-	(1,282,350)	-
Due to other governmental units	87,253	-	-	-	-	-	87,253
Accrued wages	121,615	-	-	-	-	-	121,615
Accrued payroll liabilities	507,915	-	-	-	-	-	507,915
Deposits	2,500	-	-	-	-	-	2,500
Unearned revenues	165,903	-	-	-	-	-	165,903
Other current liabilities	217,301	-	-	-	105,219	-	322,520
Accrued interest	-	-	15,300	-	-	-	15,300
Accrued compensated absences	-	-	2,283,463	-	-	-	2,283,463
Line of credit	-	-	-	-	87,789	-	87,789
Capital leases payable	-	-	1,908,942	-	-	-	1,908,942
Revenue bonds payable	-	-	15,044,278	-	-	-	15,044,278
OPEB liability	-	-	259,760	-	-	-	259,760
County's proportionate share FRS pension plan	-	-	37,526,826	-	-	-	37,526,826
Total liabilities	5,072,531	-	57,038,569	-	193,584	(1,282,350)	61,022,334
DEFERRED INFLOW OF RESOURCES							
	-	-	-	3,996,035	-	-	3,996,035
Fund balances/net position	\$ 51,440,521	\$ 121,550,913	\$ (57,038,569)	\$ 11,957,364	\$ (154,103)	\$ -	\$ 127,756,126

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL

B. Explanation of Differences Between Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for governmental funds \$3,595,214 differs from the “change in net position” for governmental activities \$(2,169,208) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. The statement of activities reports gains or losses arising from the disposition of capital assets. Conversely, governmental funds do not report these gains or losses.

Capital outlay and other additions	15,144,247
Depreciation expense	(10,317,979)
Other additions and deletions	(174,370)
Difference	<u>\$ 4,651,898</u>

Repayments of debt principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. However, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities. Loan proceeds are reported as other financing sources in the governmental funds but are recorded as liabilities in the statement of net position and do not result in resources in the statement of activities.

Debt reduction	\$ 2,553,593
Debt proceeds	(9,667,083)
	<u>\$ (7,113,490)</u>

Some revenues and expenses reported in the statement of activities do not require the use of or provide current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in compensated absences	\$ (188,416)
Net change in accrued interest	(1,833)
Net change County's proportionate share FRS net pension liability	(1,253,867)
Net change pension and OPEB related deferred outflows/inflows	(1,758,812)
Net change in fund balance in OPEB liability	(1,124)
Net change in fund balance Internal Service Fund	(98,778)
	<u>\$ (3,302,830)</u>

Reclassification and Eliminations

Transfers in and transfers out in the amount of \$50,285,115 between governmental activities should be eliminated.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

B. Explanation of Differences Between Government Fund Operating Statements and the Statement of Activities

	Total Governmental Funds	Capital Related Items	Long-term Debt Transactions	Compensated Absences	Accrued Interest	Net Pension Liability	Deferred Outflows/ Inflows of Resources	OPEB Liability	Internal Service Fund	Reclassifications and Eliminations	Statement of Activities
REVENUES											
Taxes	\$ 33,192,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,192,523
Licenses and permits	10,081,133	-	-	-	-	-	-	-	-	-	10,081,133
Intergovernmental	15,486,926	-	-	-	-	-	-	-	-	-	15,486,926
Charges for services	6,673,248	-	-	-	-	-	-	-	1,647,278	-	8,320,526
Fines and forfeitures	263,898	-	-	-	-	-	-	-	-	-	263,898
Interest	497,218	-	-	-	-	-	-	-	-	-	497,218
Miscellaneous	657,644	128,132	-	-	-	-	-	-	3,298	-	789,074
Total revenues	66,852,590	128,132	-	-	-	-	-	-	1,650,576	-	68,631,298
EXPENDITURES											
Current Expenditures											
General government	10,207,856	823,136	-	124,217	-	263,943	374,580	1,124	-	-	11,794,856
Public safety	24,154,684	1,328,675	-	49,856	-	809,589	1,132,065	-	1,749,354	-	29,224,223
Physical environment	4,754,902	63,447	-	3,843	-	19,498	27,264	-	-	-	4,868,954
Transportation	7,448,561	7,676,236	-	(2,245)	1,833	83,614	116,919	-	-	-	15,324,918
Economic environment	1,877,180	91,994	-	3,900	-	11,988	16,764	-	-	-	2,001,826
Human services	2,623,503	57,530	-	-	-	749	1,047	-	-	-	2,682,829
Culture/recreation	2,452,420	347,232	-	8,925	-	25,739	35,991	-	-	-	2,870,307
Court related	2,146,055	-	-	(80)	-	38,747	54,182	-	-	-	2,238,904
Capital outlay											
General government	187,008	(187,008)	-	-	-	-	-	-	-	-	-
Public safety	5,890,354	(5,890,354)	-	-	-	-	-	-	-	-	-
Physical environment	220,817	(220,817)	-	-	-	-	-	-	-	-	-
Transportation	8,396,115	(8,396,115)	-	-	-	-	-	-	-	-	-
Economic environment	51,118	(51,118)	-	-	-	-	-	-	-	-	-
Human services	61,696	(61,696)	-	-	-	-	-	-	-	-	-
Culture/recreation	311,177	(311,177)	-	-	-	-	-	-	-	-	-
Court-related	66,902	(66,902)	-	-	-	-	-	-	-	-	-
Debt Service											
Principal	2,017,616	-	(2,017,616)	-	-	-	-	-	-	-	-
Interest	297,307	-	-	-	-	-	-	-	-	-	297,307
Total expenditures	73,165,271	(4,796,937)	(2,017,616)	188,416	1,833	1,253,867	1,758,812	1,124	1,749,354	-	71,304,124
Excess of revenues over (under) expenditures	(6,312,681)	4,925,069	2,017,616	(188,416)	(1,833)	(1,253,867)	(1,758,812)	(1,124)	(98,778)	-	(2,672,826)
OTHER FINANCING SOURCES (USES)											
Gain/loss on disposition of fixed assets	469,312	(256,650)	535,977	-	-	-	-	-	-	-	748,639
Debt proceeds	9,667,083	-	(9,667,083)	-	-	-	-	-	-	-	-
Transfers in	50,285,115	-	-	-	-	-	-	-	-	(50,285,115)	-
Transfers out	(50,513,615)	(16,521)	-	-	-	-	-	-	-	50,285,115	(245,021)
Total other financing sources (uses)	9,907,895	(273,171)	(9,131,106)	-	-	-	-	-	-	-	503,618
Net change in fund balances	3,595,214	4,651,898	(7,113,490)	(188,416)	(1,833)	(1,253,867)	(1,758,812)	(1,124)	(98,778)	-	(2,169,208)
Fund balances at beginning of year	47,845,307	116,899,015	(9,839,730)	(2,095,047)	(13,467)	(36,272,959)	13,716,176	-	(55,325)	-	130,183,970
Prior period adjustment	-	-	-	-	-	-	-	(258,636)	-	-	(258,636)
Fund balances/net position at end of year	\$ 51,440,521	\$ 121,550,913	\$ (16,953,220)	\$ (2,283,463)	\$ (15,300)	\$ (37,526,826)	\$ 11,957,364	\$ (259,760)	\$ (154,103)	\$ -	\$ 127,756,126

COLUMBIA COUNTY, FLORIDA

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The County uses the following procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to September 15, the County Manager serving as Budget Officer submits to the Board of County Commissioners a tentative budget for the fiscal year commencing October 1.
2. Public hearings are conducted by the Board of County Commissioners to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the Board of County Commissioners.
4. The Constitutional Officers submit, at various times, to the Board and to certain divisions within the Department of Revenue, State of Florida, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them, as set forth in Chapter 129 of the *Florida Statutes*.
5. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and the Property Appraiser, which are classified as separate special revenue funds.
6. The Board of County Commissioners is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund; or appropriate for the special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.
7. Formal budgetary integration is employed as a management control device in all governmental funds.
8. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2018, are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis. The Enterprise Funds budgets are adopted on the accrual basis.
9. Legal control of the budget is exercised pursuant to applicable provisions of *Florida Statutes*.
10. Appropriations for the County lapse at the close of the fiscal year.
11. The following is a comparison of the appropriations to total expenses for the proprietary funds for the fiscal year ended September 30, 2018.

	<u>Appropriations</u>	<u>Expenses</u>	<u>Variance Positive Negative</u>
Enterprise Funds			
Landfill Enterprise	\$ 4,116,864	\$ 3,239,841	\$ 877,023
Utilities	2,520,095	386,632	2,133,463
	<u>\$ 6,636,959</u>	<u>\$ 3,626,473</u>	<u>\$ 3,010,486</u>

NOTE 4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The County maintains a cash pool that is available for use by all funds except those whose cash and investments must be segregated due to bond covenants or other legal restrictions.

1. Deposits

At September 30, 2018, the carrying amount of the County's deposits was \$ 27,773,663. All cash deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

2. Investments

Florida Statutes, and various bond covenants authorize investments in certificates of deposit, money market accounts, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund, administered by the Florida State Board of Administration, Florida Local Government Investment Trust Fund, obligations of the U.S. Government, obligations of government agencies unconditionally guaranteed by the U.S. Government, obligations of the Federal Farm Credit Banks, obligations of the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates, obligations of the Federal Home Loan Bank, obligations of the Government National Mortgage Association, obligations of the Federal National Mortgage Association and securities of any management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss.80a-1 et seq., provided the portfolio is limited to U.S. Government obligations and to repurchase agreements fully collateralized by U.S. Government obligations. The County invested only in these types of instruments at September 30, 2018.

In accordance with generally accepted accounting principles, the County's investments are categorized to give an indication of the level of custodial credit risk assumed at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the County or its agent in the County's name. Investments in the Local Government Surplus Funds Trust Fund, the Florida Local Government Investment Trust Fund, money market accounts and guaranteed investment contracts are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

Florida PRIME

The County's investment in Florida PRIME is administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general

operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Throughout the year and as of September 30, 2018, Florida PRIME contained certain floating rate and adjustable rate securities that were indexed based on the prime rate and/or one- and three-month LIBOR. These floating rate and adjustable rate securities are used to hedge against interest risk and provide diversification to the portfolio. Exposure to a single issuer is limited to 5% of the portfolio's amortized cost. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. At September 30, 2018, the County had \$38,281 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at <https://www.sbafla.com/prime/Audits/tabid/582Default.aspx>.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy to minimize interest rate risk is by structuring the investment portfolio so that the investments are readily convertible to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment on a deposit. The County does not hold foreign or foreign currency investments and therefore is not subject to foreign currency risk.

Credit Risk: The County also mitigates credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are held in the possession of an outside party. The County generally limits this risk by investing only in permitted investments.

Concentrations of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The implementation of GASB Statement No. 40 requires the disclosure of investments in any one issuer that represent 5% or more of total investments.

Credit Risk. Investments in the Florida State Board of Administration Pools (SBA) consist of the Local Government Surplus Funds Trust (Florida PRIME). The Florida PRIME is rated by Standard and Poors. The current rating is AAAM. The Investment Manager of the Florida PRIME manages credit risk by purchasing only high quality securities, performing a credit analysis to develop a database of issuers and securities that meet the Investment Manager's minimum standard and by regularly reviewing the portfolio's securities financial data, issuer news and developments, and ratings of the nationally recognized statistical rating organizations.

Fair Value Measurements

In February 2015, GASB issued GASB Statement No. 72. GASB 72 applicability related to the application of fair value is limited to assets and liabilities that are currently measured at fair value and certain investments that are not currently measured at fair value.

Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the participant account balance is considered the fair value of the investment. Florida PRIME investment is exempt from the GASB 72 fair value hierarchy disclosures.

As of September 30, 2018, the County's investment in the Florida PRIME investment pool is rated AAAM by Standard & Poors.

Investment Objective

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poors U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in this Policy.

Interest Rate Risk

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2018, is 35 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2018, is 74 days.

Foreign Currency Risk

Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2017 through September 30, 2018.

Securities Lending

Florida PRIME did not participate in a securities lending program in the period October 1, 2017 through September 30, 2018.

Fair Value Hierarchy

Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost; therefore, participant account balances should be also reported at amortized cost.

The Florida Local Government Investment Trust Fund (Trust)

The Florida Local Government Investment Trust Fund (Trust) is a professionally managed fund available only to public entities in Florida. The investment policy of the trust restricts investments to direct obligations of or securities fully guaranteed by the United States; obligations of certain federal agencies, including collateralized mortgage obligations; repurchase agreements; corporate bonds; and commercial paper. As of September 30, 2018, the Trust had investments, at fair value, of approximately \$1.505 billion. Of the total investments in the Trust, 9.49% was invested in commercial paper, 13.35% was invested in government securities, 21.54% was invested in corporates, 15.70% was invested in U.S. Treasuries, 11.93% was invested in Repurchase Agreements, 4.08% was invested in Certificates of Deposit, .16% was invested in money market funds, 2.86% was invested in CMO's, 13.97% was invested in asset backed securities, .07% was invested in Agency ARM, 5.41% was invested in U.S. agency notes and 1.45% was invested in municipal bonds. The Florida Trust Day to Day Fund (the fund) had a net position of \$633 million and the Short Term Bond Fund had a net position balance of \$872 million. Investments in the Pool and Trust are reported at fair value based on the fair value per share of the underlying portfolio. The Day to Day Fund is a Fitch AAAmf rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity was 34 days as of September 30, 2018.

The Short Term Bond Fund is a fund with an investment portfolio structured to maintain safety of principal and maximize available yield through a balance of quality and diversification. This Fitch rated AAf/S1 Trust invests in securities with effective maturities of less than five years. The weighted average maturity for the portfolio is 1.51 years as of September 30, 2018.

As of September 30, 2018, the County had investments with the following issuers in the percentages of total investments and categories shown below:

Schedule of Investments at September 30, 2018

Investment	Maturities	Fair Value	Percent	Category
State Board of Administration Local Government				
Local Government Surplus Trust Fund Florida PRIME	35 Day Average	\$ 38,291	0.09%	-
Florida Local Government Investment Pool	1.51 Year Average	22,309,030	51.96%	-
Florida Local Government Day to Day Fund	34 Day Average	1,566,343	3.65%	-
Certificates of Deposit, Money Market	Daily - 36 months	19,021,777	44.30%	1
Total Investments		<u>\$ 42,935,441</u>	<u>100.00%</u>	

NOTE 5. PROPERTY TAX REVENUES

Taxable values for all property are established as of January 1, which is the date of lien, for the fiscal year starting October 1. Property tax revenues recognized for the 2017-2018 fiscal year were levied in October 2017. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount. All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to June 1; therefore, there were no material taxes receivable at fiscal year end.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Donations	Additions	Reclassifications/ Adjustments	Deletions	Balance
Governmental activities:						
Capital assets:						
Land	\$ 9,580,290	\$ -	\$ 254,120	\$ -	\$ -	\$ 9,834,410
Land interests	1,519,600	-	-	-	-	1,519,600
Buildings	49,546,745	-	176,837	285,104	-	50,008,686
Improvements other than buildings	10,874,903	-	25,450	24,980	-	10,925,333
Road improvements	167,614,077	-	-	2,403,779	-	170,017,856
Construction in progress	8,261,400	-	10,094,419	(2,713,863)	-	15,641,956
Equipment	25,798,049	128,132	4,547,479	(114,490)	(1,665,029)	28,694,141
Total capital assets	273,195,064	128,132	15,098,305	(114,490)	(1,665,029)	286,641,982
Accumulated depreciation	(156,296,049)	-	(10,317,889)	114,490	1,408,379	(165,091,069)
Governmental activities capital assets, net	<u>\$ 116,899,015</u>	<u>\$128,132</u>	<u>\$ 4,780,416</u>	<u>\$ -</u>	<u>\$ (256,650)</u>	<u>\$ 121,550,913</u>
Business-type activities:						
Land	\$ 2,087,118	\$ -	\$ -	\$ -	\$ -	\$ 2,087,118
Equipment	3,688,584	-	200,880	114,490	(29,842)	3,974,112
Buildings	639,714	-	-	-	-	639,714
Improvements	16,199,747	-	487,440	1,244,145	-	17,931,332
Construction in progress	1,244,145	-	61,750	(1,244,145)	-	61,750
Total capital assets	23,859,308	-	750,070	114,490	(29,842)	24,694,026
Less accumulated depreciation	(11,320,131)	-	(927,927)	(114,490)	29,842	(12,332,706)
Business-type activities capital assets, net	<u>\$ 12,539,177</u>	<u>\$ -</u>	<u>\$ (177,857)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,361,320</u>

Depreciation expense was charged to functions/programs of the Board as follows:

Governmental activities:	
General government	\$ 752,775
Public safety	1,328,765
Physical environment	63,447
Transportation	7,676,236
Economic environment	91,994
Human services	57,530
Culture/recreation	347,232
Total depreciation expense - governmental activities	<u>\$ 10,317,979</u>
Business -type activities:	
Landfill enterprise	639,597
Utilities enterprise	288,330
Total depreciation expense - business-type activities	<u>\$ 927,927</u>

NOTE 7. INTERFUND RECEIVABLES/PAYABLES

The outstanding balances between funds result mainly from the time lag between the dates that interfund goods and services are provided and reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Fund	Interfund Receivables	Interfund Payables
General fund	\$ 1,501,441	\$ 334,659
Special revenue funds:		
County transportation trust	331,730	-
Municipal services benefit unit	485,769	-
Court service fund	12,368	-
Sheriff special revenue	380,391	84,650
Operating	88,130	380,391
Clerk of Courts:		
Operating	157,134	170,430
Public records modernization	19,370	-
Teen court	1,566	10,297
Property Appraiser operating	-	87,741
Supervisor of Elections operating	-	-
Tax Collector operating	47,750	214,182
Sheriff Inmate Welfare	34,635	
Agency funds:		
Trust	-	209,888
Sheriff		
Individual depositors	-	7,681
Inmate welfare	-	38,114
Tax Collector		
Ad valorem tax	-	47,750
Tag agency	-	20,632
Enterprise Fund:		
Utilities	-	1,453,869 *
Totals	<u>\$ 3,060,284</u>	<u>\$3,060,284</u>

* Not anticipated to be repaid within one year.

NOTE 8. INTERFUND TRANSFERS

Interfund transfers for the year ended September 30, 2018, consisted of the following:

Transfers are used to 1) move revenues from the fund that state law requires to collect them to the fund that state law requires to expend them, 2) provide matching funds for grants, 3) use unrestricted general fund revenues to finance transportation activities which must be accounted for in another fund, and 4) fund Constitutional Officer operations.

Transfers from General Fund to:	
Clerk of Courts Operating Fund	\$ 511,626
Property Appraiser Operating Fund	1,572,809
Supervisor of Elections Operating Fund	816,960
Sheriff Special Revenue	14,611,850
Administrative Debt Service Fund	700,000
County Facilities Fund	2,127,726
Road Improvement Fund	373,500
Jail Construction Fund	2,430,089
Utilities Fund	3,500
Transfers from Administration Building Debt Service Fund to:	
Sheriff Operating Fund	702,448
Transfers from Court Service Fund to:	
County Facilities Fund	350,000
Transfers from County Transportation Trust Fund to:	
County Facilities Fund	1,700,000
Transfer from Tourist Development Operating Fund to:	
General Fund	300,000
Transfer from County Facilities Fund to:	
Jail Construction Fund	8,042,018
Transfer from Municipal Services Fund to:	
County Facilities Fund	250,000
Transfer from Sheriff Special Revenue Fund to:	
Sheriff Operating Fund	15,205,001
County Facilities Fund	362,906
Transfer from Special Law Enforcement Fund to:	
Sheriff Operating Fund	14,000
Transfer from Economic Development Debt Service Fund to:	
Utilities Fund	225,000
Transfer from Clerk Operating Fund to:	
General Fund	214,182
Total transfers	<u>\$ 50,513,615</u>

NOTE 9. RECEIVABLE AND PAYABLE BALANCES

Receivables

Receivables at September 30, 2018, were as follows:

	Accounts	Due from Other Governmental Units	Total Receivables
Governmental activities:			
General	\$ 180,913	\$ 1,291,462	\$ 1,472,375
County transportation trust	3,684	657,371	661,055
Municipal services	39,433	40,508	79,941
Sheriff operating	-	54,984	54,984
Clerk operating	-	10,454	10,454
Economic development	1	21,329	21,330
County facilities	-	3,000	3,000
Road improvements capital projects	2,227	16,454	18,681
Other governmental	15,675	250,184	265,859
Sheriff internal service fund	3,943	-	3,943
Total governmental activities	\$ 245,876	\$ 2,345,746	\$ 2,591,622
Business-type activities:			
Landfill enterprise, net	\$ 461,698	\$ -	\$ 461,698
Utilities	12,068	-	12,068
Landfill enterprise	\$ 473,766	\$ -	\$ 473,766

The Board, upon past collection experience, considers all of the receivables of governmental activities to be fully collectible and has not recorded an allowance for doubtful accounts. The Landfill Enterprise Fund has an allowance for uncollectible account of \$16,716.

Payables at September 30, 2018, were as follows:

	Vendors	Due to Other Governmental Units	Total Payables
Governmental activities:			
General	\$ 397,591	\$ -	\$ 397,591
County transportation trust	283,569	-	283,569
Municipal services	347,614	-	347,614
Clerk of Court operating	4,265	65,399	69,664
Sheriff operating	411,170	-	411,170
Economic development	38,057	-	38,057
County facilities	49,084	-	49,084
Road improvement	761,385	-	761,385
Other governmental	394,959	21,854	416,813
Sheriff internal service fund	576	-	576
Total governmental activities	\$ 2,688,270	\$ 87,253	\$ 2,775,523
Business-type activities:			
Landfill enterprise	\$ 287,659	\$ -	\$ 287,659
Utilities	22,970	-	22,970
Total business-type activities	\$ 310,629	\$ -	\$ 310,629

NOTE 10. LONG-TERM LIABILITIES

Governmental Activities

Revenue Bonds

- A. On December 31, 2008, the County closed on the Capital Improvement Revenue Bond Series 2008B in the amount of \$4,000,000 with Columbia Bank. The purpose of this issuance was to provide funds for capital improvements for economic development projects. The bonds were being repaid over a period of ten years with an interest rate of 3.0%. The debt was secured by and paid from the County's Half Cent Sales Tax revenues pursuant to County Ordinance No. 2008R-43. This bond issue was paid off in the current year.
- B. On July 12, 2016 the County closed on a Gas Tax Revenue Refunding Note, Series 2016, totaling \$6,000,000 with Hancock Bank. The purpose of this issuance was to refund debt and to finance certain additional transportation improvements. The first two cents of the County's local option gas tax imposed pursuant to Section 336.025, Florida Statutes, was pledged to secure payment of the principal and interest. The note will be repaid over ten years with an interest rate of 1.50%. The following is a schedule of future principal and interest to be paid on the note:

Year Ending September 30	Principal	Interest	Total
2019	\$ 580,000	\$ 67,640	\$ 647,640
2020	588,000	58,895	646,895
2021	597,000	50,026	647,026
2022	606,000	41,014	647,014
2023	614,000	31,879	645,879
2024	624,000	22,602	646,602
2025	634,000	13,182	647,182
2026	483,000	3,620	486,620
Total	<u>\$ 4,726,000</u>	<u>\$ 288,858</u>	<u>\$ 5,014,858</u>

- C. On June 8, 2016 the County closed on a Capital Improvement Revenue Refunding Note, Series 2016, totaling \$3,515,370 with First Federal Bank. The purpose of this issuance was to refund the County's Revenue Bond Series 2008A. The note will be repaid over ten years with an interest rate of 1.749%. The following is a schedule of future principal and interest to be paid on the note:

Year Ending September 30	Principal	Interest	Total
2019	\$ 296,856	\$ 43,709	\$ 340,565
2020	301,972	38,556	340,528
2021	307,398	33,311	340,709
2022	312,810	27,974	340,784
2023	318,317	22,542	340,859
2024	323,871	17,015	340,886
2025	329,623	11,391	341,014
2026	335,426	5,668	341,094
2027	118,549	729	119,278
Total	\$2,644,822	\$ 200,895	\$ 2,845,717

- D. On December 15, 2017 the County closed on a Capital Improvement Revenue Note, totaling \$8,060,00 with JPMorgan Chase Bank, N.A. The purpose of this issuance was to finance the cost of capital improvements within the County. The County's Communication Services Tax revenues are pledged to secure the note. The note will be repaid over fifteen years with an interest rate of 2.28%. The balance owed on the note at year end was \$7,673,456. The following is a schedule of future principal and interest to be paid on the note:

Year Ending September 30	Principal	Interest
2019	\$ 308,262	\$ 116,445
2020	471,660	165,253
2021	482,475	154,508
2022	493,538	143,375
2023	504,855	132,058
2024	516,431	120,482
2025	528,273	108,640
2026	540,387	96,527
2027	552,778	84,136
2028	565,453	71,461
2029	578,419	58,495
2030	591,682	45,232
2031	605,249	31,664
2032	619,127	17,786
2033	314,867	3,589
Total	\$ 7,673,456	\$1,349,651

Capital Leases

The County has the following installment payment agreements for equipment purchases:

- A. Purchase of four motor graders costing \$797,184. The terms of the agreement call for five annual payments \$68,055, beginning on May 3, 2013 with a concluding payment of \$552,000, on May 3, 2018. These payments include interest at 3.00%. This loan was paid off in the current year.
- B. Purchase of four motor graders costing \$838,156. The terms of the agreement call for five annual payments of \$87,340, beginning May 14, 2014 with a concluding payment of \$500,000, on May 14, 2019. These payments include interest of 3.18%.
- C. Purchase of four motor graders costing \$913,240. The terms of the agreement call for five annual payments of \$105,020, beginning August 6, 2018, with a concluding payment of \$494,000 on August 6, 2023. These payments include interest of 3.28%.

The following is a schedule of the future total minimum lease payments under these capital leases, and the present value of the net minimum lease payments at September 30, 2018:

Year Ending September 30	Principal	Interest	Total
2019	622,969	59,758	682,727
2020	142,690	40,037	182,727
2021	147,133	40,037	187,170
2022	151,715	31,012	182,727
2023	844,435	26,287	870,722
	<u>\$ 1,908,942</u>	<u>\$ 197,131</u>	<u>\$ 2,106,073</u>

B. Business-type Activities

Loan Payable

FDEP - On July 14, 2004, the County entered into a loan agreement , number WW 74202P, with the State of Florida Department of Environmental Protection (FDEP) for State Revolving Fund financial assistance for a wastewater treatment system at the I-75 exit 80 area (Ellisville). The terms of this agreement call for a total loan amount of \$755,809 and was \$536,867 when fully disbursed. The loan is payable in one initial payment of \$24,345 and thirty-nine subsequent semi-annual payments of \$17,906 including interest at 1.035%, beginning July 15, 2011. At September 30, 2018, the loan balance was \$392,657.

Also, in conjunction with the project, the County entered into an additional loan with the FDEP (loan number DW 120101 in the amount of \$906,797. This loan is payable in forty semi-annual payments of \$43,070 including interest at 2.65%, beginning on January 15, 2011. At September 30, 2018, the balance of the loan was \$432,341.

In the 2011 fiscal year, the County received an additional loan from FDEP (loan number DW 120400) in the amount of \$1,360,903, of which \$1,156,768 in principal was forgiven. This loan is payable in forty semi-annual payments of \$6,784 including interest at 2.71%, beginning August 15, 2011. At September 30, 2018, the balance of the loan was \$142,642.

All of these loans are subject to future amendments as to principal amounts, and semi-annual payment amounts and payment inception dates. The following is a schedule of loan payments required under the agreements. Payments are made from associated fund revenue.

Year Ending	DEP	DEP	DEP	Interest	Total
September 30,	DW120400	WW74202	DW12101		
2019	\$ 9,704	\$ 27,828	\$ 74,982	\$ 18,975	\$ 131,489
2020	9,970	28,407	76,996	16,406	131,779
2021	10,244	28,998	79,064	13,769	132,075
2022	10,525	29,602	81,187	11,064	132,378
2023	10,814	30,218	83,367	8,286	132,685
Thereafter	91,385	247,604	36,745	22,603	398,337
Total	\$ 142,642	\$ 392,657	\$ 432,341	\$ 91,103	\$ 1,058,743

D. Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Prior Year Balance	Other Reductions and Adjustments	Additions	Deletions	Current Year Ending Balance	Due Within One Year	Accrued Interest Payable
<i>Governmental activities:</i>							
<i>Revenue bonds:</i>							
Columbia Bank - Series 2008B	\$ 516,030	\$ (52)	\$ -	\$ (515,978)	\$ -	\$ -	\$ -
Hancock Bank Gas Tax Revenue Series 2016	5,297,000	-	-	(571,000)	4,726,000	580,000	-
First Federal Bank Capital Improvement Series 2016	2,936,475	-	-	(291,653)	2,644,822	296,856	-
Chase Bank Revenue Bonds	-	-	8,060,000	(386,544)	7,673,456	308,262	-
	8,749,505	(52)	8,060,000	(1,765,175)	15,044,278	1,185,118	-
<i>Capital Leases Payable:</i>							
Ring Investments M9C00285	133,981	(133,981)	-	-	-	-	-
Ring Investments M9C00286	133,981	(133,981)	-	-	-	-	-
Ring Investments M9C00316	133,981	(133,981)	-	-	-	-	-
Ring Investments M9C00323	133,982	(133,982)	-	-	-	-	-
Ring Investments M9C00418	138,575	-	-	(17,428)	121,147	121,147	1,605
Ring Investments M9C00417	138,575	-	-	(17,428)	121,147	121,147	1,605
Ring Investments M9C00419	138,575	-	-	(17,428)	121,147	121,147	1,605
Ring Investments M9C00428	138,575	-	-	(17,428)	121,147	121,147	1,605
Beard Equipment Co. 620GXT84071	-	-	231,281	(25,902)	205,379	19,951	1,488
Beard Equipment Co. 620GXT84071	-	-	231,281	(25,902)	205,379	19,951	1,488
Beard Equipment Co. 620GXT84071	-	-	231,281	(25,902)	205,379	19,951	1,488
John Deere Financial 620G 689381	-	-	228,310	(26,255)	202,054	19,632	1,104
John Deere Financial 620G 689588	-	-	228,310	(26,256)	202,054	19,632	1,104
John Deere Financial 620G 689278	-	-	228,310	(26,256)	202,054	19,632	1,104
John Deere Financial 620G 689383	-	-	228,310	(26,256)	202,054	19,632	1,104
	1,090,225	(535,925)	1,607,083	(252,441)	1,908,942	622,969	15,300
<i>Other Liabilities:</i>							
Compensated Absences	2,095,047	-	188,416	-	2,283,463	342,520	-
Net pension liability	36,272,959	-	1,253,867	-	37,526,826	7,974,120	-
OPEB Liability	-	258,636	1,124	-	259,760	1,125	-
	\$ 48,207,736	\$ (277,341)	\$ 11,110,490	\$ (2,017,616)	\$ 57,023,269	\$ 8,316,640	\$ 15,300
<i>BUSINESS ACTIVITIES</i>							
<i>Loan agreements payable:</i>							
Department of Environmental Regulation	\$ 1,077,596	\$ -	\$ -	\$ (109,956)	\$ 967,640	\$ 112,514	\$ 4,619
<i>Other Liabilities</i>							
Compensated Absences	45,814	-	-	(10,765)	35,049	5,258	-
Estimated liability for landfill closure	5,869,629	-	1,071,095	-	6,940,724	948,238	-
Net pension liability	837,108	-	(432,733)	-	404,375	85,926	-
	6,752,551	-	638,362	(10,765)	7,380,148	1,039,422	-
	\$ 7,830,147	\$ -	\$ 638,362	\$ (120,721)	\$ 8,347,788	\$ 1,151,936	\$ 4,619

NOTE 11. LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

\$6,940,724 is reported as landfill closure and postclosure care liability at September 30, 2018, represents the cumulative amount reported to date for landfills with remaining lives of 3.6 to 10 years. The post closure liability is based upon estimated useage and capacity of the landfill. These amounts are based on what it would cost to perform all closure and annual postclosure care in 2018. Actual cost may be higher because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to an escrow account to finance closure. The County is in compliance with these requirements, and at September 30, 2018, restricted cash and investments of \$7,476,540 are held for its purpose. The County expects future inflation costs to be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (because of changes in technology or applicable laws and regulations, for example), these costs may need to be covered by charges to future landfill users or from other future revenues of the County.

NOTE 12. OPERATING LEASES

The County leases office space and equipment under various long-term operating lease commitments with noncancellable terms. Scheduled minimum rental payments for succeeding fiscal years ending September 30, are as follows:

<u>Year Ending September 30</u>	
2019	\$ 196,488
2020	71,651
2021	11,403
2022	2,459
	<u>\$ 282,001</u>

Lease expense for the fiscal year ended September 30, 2018 was \$372,948.

NOTE 13. RETIREMENT PLANS

Florida Retirement System:

General Information - All of the County's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city

or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total

service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular—7.92% and 8.26%; Special Risk Administrative Support—34.63% and 34.98%; Special Risk—23.27% and 24.50%; Senior Management Service—22.77% and 24.06%; Elected Officers—45.50% and 48.70%; and DROP participants—13.26% and 14.03%. These employer contribution rates include 1.66% and 1.66% HIS Plan subsidy for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively.

The County's contributions to the Pension Plan totaled \$3,233,603 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2018, the County reported a liability of \$30,727,794 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of July 1, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was .102016153 percent, which was an increase of .000948506 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$5,538,213. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,603,106	\$ (94,481)
Changes in assumptions	10,040,349	-
Net difference between projected and actual earnings on Pension Plan investments	-	(2,374,097)
Changes in proportion and differences between County Pension Plan contributions and proportionate share of contributions	1,381,602	(686,478)
County Pension Plan contributions subsequent to the measurement date	830,353	-
Total	\$ 14,855,410	\$ (3,155,056)

The deferred outflows of resources related to the Pension Plan, totaling \$830,353 resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending	
September 30	
2019	\$ 4,211,496
2020	2,874,171
2021	400,744
2022	1,913,821
2023	1,279,694
Thereafter	190,075
	<u>\$ 10,870,001</u>

Actuarial Assumptions – The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. 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. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.90%	2.90%	1.80%
Fixed income	18.00%	4.40%	4.30%	4.20%
Global equity	54.00%	7.60%	6.30%	17.00%
Real estate	11.00%	6.60%	6.00%	11.30%
Private equity	10.00%	10.70%	7.80%	26.50%
Strategic investments	6.00%	6.00%	57.00%	8.60%
Total	100.00%			
Assumed Inflation - mean			2.60%	1.90%

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The Pension 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 calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 56,079,513	\$ 30,727,794	\$ 9,671,693

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2018, the County reported a payable in the amount of \$181,316 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2018.

HIS Plan

Plan Description - The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended September 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018 was 1.66% and 1.66%, respectively. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled \$369,084 for the fiscal year ended September 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2018, the County reported a liability of \$7,203,408 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2017-18 fiscal year contributions relative to the 2016-17 fiscal year contributions of all participating members. At June 30, 2018, the County's proportionate share was .06806 percent, which was an increase of .00058183 percent from its proportionate share measured as of June 30, 2017.

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$573,420. In addition the County reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 110,281	\$ (12,238)
Changes in assumptions	801,108	(761,604)
Net difference between projected and actual earnings on HIS Plan investments	4,348	-
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	255,474	(104,635)
County HIS Plan contributions subsequent to the measurement date	98,687	-
Total	\$ 1,269,898	\$ (878,477)

The deferred outflows of resources related to the HIS Plan, totaling \$98,687 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	
2019	\$ 204,450
2020	203,695
2021	142,702
2022	32,052
2023	(198,953)
Thereafter	(91,212)
	\$ 292,734

Actuarial Assumptions – The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87 %

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
County's proportionate share of the net pension liability	\$ 8,204,259	\$ 7,203,408	\$ 6,369,140

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan - At September 30, 2018, the County reported a payable in the amount of \$23,018 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment

funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2016-17 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 3.30%, Special Risk Administrative Support class 4.95%, Special Risk class 11.00%, Senior Management Service class 4.67% and County Elected Officers class 8.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's had no pension expense for the Investment Plan for the fiscal year ended September 30, 2018.

NOTE 14. FUND BALANCES GOVERNMENTAL FUNDS

As of September 30, 2018, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of

the Board of County Commissioners (BCC). The BCC is the highest level of decision making authority for the County. Commitments may be established, modified, or rescinded only through resolutions approved by the BCC.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. Under current practices, the assignment of amounts for specific purposes is approved by the Board of County Commissioners.

Unassigned - all other spendable amounts.

Fund balances designations are as follows:

	Committed	Assigned	Restricted	Nonspendable	Unassigned
General Fund:					
Judges fund reserve	\$ -	\$ 49,106	\$ -	\$ -	\$ -
SRWMD mitigation reserve	940,532	-	-	-	-
Southside Recreation Center	-	467,174	-	-	-
Utilities fund advance	-	-	-	971,030	-
Vessel registration fees	-	-	44,355	-	-
Undesignated	-	-	-	-	10,738,202
	<u>\$ 940,532</u>	<u>\$ 516,280</u>	<u>\$ 44,355</u>	<u>\$ 971,030</u>	<u>\$ 10,738,202</u>
Other governmental funds:					
Board of County Commissioners					
Capital Projects - County Facilities	\$ -	\$ 5,121,495	\$ -	\$ -	\$ -
Community Development Block Grant	-	-	-	-	-
Connector Road Project	-	-	-	-	-
County Transportation Trust	-	-	5,412,379	109,101	-
Court Reporters	-	-	20,465	-	-
Court Services	-	-	606,683	-	-
Economic Development	-	602,347	-	44,998	-
Impact Fees	-	-	303,233	-	-
Law Enforcement Special	-	-	25,543	-	-
Library Enhancement Grant	-	-	757,673	-	-
Municipal Services Benefit Unit	-	-	3,970,736	-	-
Jail Construction	-	9,966,161	-	-	-
Paving Assessments	-	-	178,898	-	-
Road Improvement	-	3,462,973	-	-	-
Jail Debt Service	-	-	173,140	-	-
Road Improvement Debt Service	-	-	135,045	-	-
Sheriff Special Revenue	-	-	3,505,288	-	-
SHIP	-	-	13,516	-	-
Tourist Development Tax	-	-	2,863,280	-	-
Clerk of Courts					
Public Records Modernization Trust	-	-	286,283	-	-
Reserved 10%	-	-	-	-	-
Teen Court	-	-	(8,731)	-	-
Sheriff					
Work Program	-	-	12,117	-	-
Forfeiture Fund	-	-	52,991	-	-
Forfeiture Nongrant	-	-	206,412	-	-
Inmate Welfare	-	-	397,728	-	-
Minimum Standards School	-	-	10,368	-	-
Total other governmental funds	-	19,152,976	18,923,047	154,099	-
Total	<u>\$ 940,532</u>	<u>\$ 19,669,256</u>	<u>\$ 18,967,402</u>	<u>\$ 1,125,129</u>	<u>\$ 10,738,202</u>

Fund Balance Policy

The County has adopted a fund balance policy to maintain targeted levels of fund balance for all governmental funds. For the General Fund, the County's policy is to maintain a minimum level of unrestricted fund balance (the sum of the assigned and unassigned components of fund balance). The target level is no less than 25% and no more than 30% of General Fund annual expenditures.

For special revenue funds, there are typically no requirements for a specific reservation of fund balance but the County uses several special revenue funds as special operating funds for specific programs such as the Transportation Trust Fund and Municipal Services Fund. For these special revenue operating funds, the County has established a minimum level of fund balance. Such funds should maintain no less than 20% and no more than 30% of the fund specific annual expenditures.

In addition to minimum fund balance levels for the General Fund and major special revenue operating funds, the County also established a minimum level of fund balance for all other funds (including enterprise funds) similar to the above requirements.

Replenishment of Fund Balance Deficits

Each year during the budget process, fund balance levels are reviewed and compared to the targeted levels established in the fund balance policy. In the event fund balance levels fall below the targeted levels or, have not been met, a designated amount shall be set aside each year to fund balance so that the targeted amounts will be restored.

Utilization of Fund Balance

The County may approve, in its annual budgeting process, the use of fund balance either for specifically identified needs or as a designated reserve. The Board must always approve the use of designated reserves. In the event that targeted fund balance levels are met, the Board may approve the use of any excess for any lawful purpose. The Board may also establish additional reserves or designations of fund balance as may be needed such as a Disaster Contingency Reserve.

NOTE 15. CONTINGENT LIABILITIES

Grants – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. At September 30, 2018 the Department of Homeland Security, Office of the Inspector General, questioned costs of \$1,771,894 related to the FEMA Tropical Storm Debby grant of June 2012. The County is contesting this finding and the final determination by FEMA regarding any refunding of these costs is not known.

Litigation – The County is defendant in various pending or threatened litigation. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

NOTE 16. RISK MANAGEMENT

The County participates in various public entity risk pools for certain of its insurance coverages. Under these insurance risk pools, the County's entity risk pool pays annual premiums to the pools for its insurance coverages. The agreements for formation of the pools provide that the pools will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specific amounts.

The County continues to carry commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreements allow for the pools to make additional assessments to make the pools self-sustaining. It is not possible to estimate either the amount of such additional assessments, which might have to be paid by the County or the losses which might have to be borne by the County.

The Sheriff utilizes a pooled, self-funded health plan to provide comprehensive medical benefits to the employees, retirees and their dependents. It is funded by contributions from the Sheriff's Office and employees. In compliance with *Florida Statute* Section 112.08, an actuarial review of the Plan demonstrates the current rate structure of the Plan plus the current net assets available for benefits appears adequate to support current outstanding claims as well as those projected claims and expenses for the next Plan year.

Excess insurance is purchased from a commercial carrier to provide a specific claim and aggregate limits coverage. Specific claim coverage benefits the covered individual by providing unlimited coverage to begin where a specific claim exceeds \$70,000 plus an additional corridor of \$142,922. Aggregate limits coverage limits the Sheriff's total risk exposure. This coverage provides the Sheriff with an additional \$1,000,000 in coverage for the coverage year when the costs of total claims paid less the total paid under the specific claim excess coverage exceeds 125% of the expected claims for the current Plan year.

The Sheriff uses an internal service fund to account for risks from medical benefit claims. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At September 30, 2018, the amount of these liabilities was \$(105,219). This liability has been determined based on an actuarial evaluation of all claims reported and all claims incurred but not reported (IBNR), as of September 30, 2018. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

Reconciliation of Claims Liabilities for Medical Benefits

	2018
Fund IBNR reserves at beginning of year	\$(148,227)
Incurred claims and claim expenses:	
Provision of insured events of current year	1,595,273
Increases in provision for insured events of prior years	-
Total incurred claims and claim expenses	1,447,046
Claim expenses:	
Claims and claim adjustment expenses	
attributable to insured events of current year	1,552,265
attributable to insured events of prior years	-
Total claim expense	1,552,265
Fund IBNR reserves at end of year	\$(105,219)

NOTE 17. CONSTRUCTION COMMITMENTS

During the year, the County had in progress several construction projects including road improvements and facilities renovations. At year end, the significant portion of these related construction commitments were completed and existing funds had been earmarked for any incomplete projects.

NOTE 18. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The County is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the County or the retiree. Participating retirees are considered to receive a secondary benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retirees are receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the county younger and statistically healthier active employees. GASB Statement 45 requires governments to report this cost and related liability in its financial statements.

PLAN PROVISIONS

The Columbia County, Florida administers its own post-employment benefit (OPEB) plan for medical benefits that are provided to Columbia County retirees. All full-time employees of Columbia County who satisfy the Disability, Early, or Normal Retirement provisions of their retirement plan may be eligible for certain post-employment benefits.

- General employees must meet the eligibility requirements for retirement under the Florida Retirement System Pension Plan – Regular Class.
- Fire employees must meet the eligibility requirements for retirement under the Florida Retirement System Pension Plan – Special Risk Class.

Participants are allowed access to the plan if the employee retires with and immediate benefit from the Florida Retirement System.

Surviving spouses and dependents are allowed access to the plan until they reach age 65.

All participants must pay 100% of their premium (implicit subsidy only).

The County has not set up a trust to prefund benefits. The County will pay benefits on a pay-as-you-go basis.

The following table summarizes the counts, ages and coverage as of October 1, 2018 for those currently enrolled in the plan.

(1)	Number of Participants	
(a)	Active Employees	251
(b)	Retirees (Pre-Medicare)	4
(2)	Active Statistics	
(a)	Average age	44.80
(b)	Average Service	8.10
(3)	Inactive Statistics	
(a)	Average age (Pre-Medicare)	62.1

SIGNIFICANT ASSUMPTIONS USED TO MEASURE THE TOTAL OPEB LIABILITY

ECONOMIC ASSUMPTIONS

The medical trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in December 2007 and updated October 2018. The following assumptions were used as input variables into this model:

Rate of inflation	2.4%
Rate of Growth in Real Income / GDP per capita	1.5%
Excess Medical Cost Growth	1.2%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

DEMOGRAPHIC ASSUMPTIONS

General employees participate in either the Tier 1 or Tier 2 Regular Class Employees under the Florida State Retirement System Pension Plan. Fire employees participate in the Special Risk Class Employees under the Florida State Retirement System Pension Plan. Demographic assumptions mirror those used in the FRS Pension Plan. Demographic data as of October 1, 2018 included current medical coverage for current employees and retirees. The published insurance rates for persons prior to Medicare eligibility are based primarily on the healthcare usage of active employees. Since retirees use healthcare at a rate much higher than employees, using these blended rates creates an implicit subsidy for the retiree group. The claims assumption used for this valuation is based on the actual per capita retiree cost. The difference between the actual usage of the healthcare by retirees and the assumptions built in to the published rates is identified as the implicit subsidy amount. The claims are based on age adjusted premiums.

DISCOUNT RATE ASSUMPTION

The discount rate used to determine the liabilities under GASB 75 depends upon the County's funding policy. The discount rate for governments that do not prefund benefits is based on 20-year general obligation bonds(GO bond) rates.

The discount rate assumption for fiscal year ended September 30, 2018 is 3.83%, the 20-year GO bond index as of October 1, 2018. The rate at the beginning of the year was 3.50%, the 20-year GO bond index for October 1,2017.

VALUATION METHODS AND ASSUMPTIONS

Cost Method:

The valuation uses the entry age normal funding method calculated on an individual basis with level percentage of pay.

Election Rate:

20% of eligible participants are assumed to continue coverage upon decrement.

Interest Rate Assumption:

The interest rate is based on the 20-year GO Bond index of 3.83% as of September 30, 2018.

Coverage Status and Age of Spouse:

Actual coverage status is used; females assumed 3 years younger than male spouse.

DECREMENT ASSUMPTIONS

Mortality Decrements

- (1) **Healthy**
Regular, male: RP 2000 50% white collar, 50% blue collar;
fully generational with Scale BB
Regular, female: RP 2000 100% white collar
fully generational with Scale BB
Special Risk, male: RP 2000 10% white collar, 90% blue collar;
fully generational with Scale BB
Special Risk, female: RP 2000 100% combined healthy white collar
fully generational with Scale BB
- (2) **Disabled**
RP 2000 Disabled Table (sex distinct); female rates are set forward
two years, male rates are set back four years; no projection scale is used

TREND ASSUMPTIONS

<u>Medical and Drug</u>	<u>Pre-Medicare</u>
2018	5.40%
2019	5.40%
2020	5.40%
2021	5.30%
2022	5.90%
2023	6.30%
2024	6.20%
2025	6.20%
2026	6.20%
2030	6.00%
2040	5.80%
2050	5.30%
2060	5.00%
2070	4.50%
2080	4.10%
2086 +	4.00%

CLAIMS ASSUMPTION

The plan is fully insured. To determine the assumed cost and the retiree contributions, 2018 premium rates were weighted by the current enrollment.

Gross claims are equal to the age adjusted assumed cost. The cost for participants with dependent coverage is assumed to be 181% of the cost of individual coverage. The following chart shows the total costs including both, medical and prescription drug as well as the assumed costs:

FISCAL YEAR 2019 COSTS

1 Total Costs	
a. Under 50	\$7,735
b. Age 50-54	9,425
c. Age 50-59	11,050
d. Age 60-64	13,325
e. Age 65-Older	N/A
2 Assumed Costs	
Pre-Medicare	9,001
Medicare Age	N/A

CHANGE IN THE NET OPEB LIABILITY

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2017	\$ 258,636	\$ -	\$ 258,636
Change for the Year			
Service Cost	19,860	-	19,860
Interest	8,684	-	8,684
Changes of Benefit Terms	-	-	-
Experience Losses/Gains	-	-	-
Trust Contribution - Employer	-	21,000	(21,000)
Net Investment Income	-	-	-
Changes in Assumptions	(6,420)	-	(6,420)
Benefit Payments (Net of Retiree Contributions)	(21,000)	(21,000)	-
Administrative Expense	-	-	-
Net Changes	<u>1,124</u>	<u>-</u>	<u>1,124</u>
Balance as of September 30, 2018	<u>\$ 259,760</u>	<u>\$ -</u>	<u>\$ 259,760</u>

OPEB EXPENSE

1.	Service Cost	\$ 19,860
2.	Interest	8,684
3.	Projected Earnings on OPEB Trust	-
4.	OPEB Administrative Expense	-
5.	Changes in Benefit Terms	-
6.	Differences Between Expected and Actual Earnings	
	In Current Fiscal Year Recognized in Current Year	-
	From Past Years Recognized in Current Year	-
	Total	-
7.	Differences Between Expected and Actual Experience	
	In Current Fiscal Year Recognized in Current Year	-
	From Past Years Recognized in Current Year	-
	Total	-
8.	Changes in Assumptions	
	In Current Fiscal Year Recognized in Current Year	(917)
	From Past Years Recognized in Current Year	-
	Total	(917)
<hr/>		
9.	Total OPEB Expense	\$ 27,627

The following table presents Columbia County, Florida's Total and Net OPEB liability. It also shows the net liability if it is calculated using a discount rate that is 1% higher or 1% lower.

Discount Rate	1% Decrease	Discount Rate	1% Increase
	2.83%	3.83%	4.83%
Total OPEB Liability	\$ 279,501	\$ 259,760	\$ 241,018
Net OPEB Liability (Asset)	\$ 279,501	\$ 259,760	\$ 241,018

The following table presents Columbia County, Florida's Total and Net OPEB liability. Also presented is the Total and Net OPEB liability if it is calculated using a health care cost trend rate that is 1% lower or 1% higher.

Ultimate Trend	1% Decrease	Discount Rate	1% Increase
	3.00%	4.00%	5.00%
Total OPEB Liability	\$ 228,241	\$ 259,760	\$ 298,577
Net OPEB Liability (Asset)	\$ 228,241	\$ 259,760	\$ 298,577

DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB

For the fiscal year ended September 30, 2018, the County recognized an OPEB expense of \$27,627. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	5,503
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contributions subsequent to measurement date	-	-
Total	\$ -	\$ 5,503

There were no deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in expense as follows:

Fiscal Year Ended September 30:	
2019	\$ (917)
2020	(917)
2021	(917)
2022	(917)
2023	(917)
Thereafter	(918)
	<u>\$ (5,503)</u>

NOTE 19. PRIOR PERIOD ADJUSTMENT

The prior period net position of the governmental funds was adjusted in the current year to recognize the other post-employment benefits (OPEB) liability that has not been reported in prior years. The adjustment was a decrease to the net position and an increase in the OPEB liability as follows:

	Beginning Balance	Adjustment	Adjusted Balance
Net Position	\$ 130,183,969	\$ (258,636)	\$ 129,925,333
OPEB Liability	\$ -	\$ 258,636	\$ 258,636

REQUIRED SUPPLEMENTARY INFORMATION

**COLUMBIA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 23,727,747	\$ 23,727,747	\$ 23,783,310	\$ 55,563
Licenses, permits , special assessments	20,000	20,000	20,632	632
Intergovernmental	5,718,496	7,339,882	6,566,853	(773,029)
Charges for services	2,075,020	2,159,670	2,175,522	15,852
Fines and forfeitures	60,000	60,000	59,334	(666)
Interest	100,000	100,000	216,356	116,356
Miscellaneous	113,900	118,900	104,337	(14,563)
Total revenues	31,815,163	33,526,199	32,926,344	(599,855)
EXPENDITURES				
Current operating:				
General government	4,715,545	5,043,089	4,862,685	180,404
Public safety	3,167,823	4,537,807	3,280,840	1,256,967
Physical environment	1,443,836	1,439,110	1,264,254	174,856
Economic environment	191,611	191,611	175,461	16,150
Human services	2,919,418	2,817,333	2,623,503	193,830
Culture/recreation	619,558	725,044	670,308	54,736
Capital outlay:				
General government	170,000	82,008	62,352	19,656
Public safety	-	527,822	98,576	429,246
Physical environment	20,000	138,300	99,356	38,944
Human services	-	72,017	61,696	10,321
Culture/recreation	-	648,452	173,959	474,493
Total expenditures	13,247,791	16,222,593	13,372,990	2,849,603
Excess of revenues over expenditures	18,567,372	17,303,606	19,553,354	2,249,748
Other Financing Sources (Uses)				
Sale of fixed assets	-	-	365,834	365,834
Transfers in	300,000	300,000	772,350	472,350
Transfers out	(21,298,322)	(23,151,745)	(23,148,060)	3,685
Total other financing sources (uses)	(20,998,322)	(22,851,745)	(22,009,876)	841,869
Net change in fund balance	(2,430,950)	(5,548,139)	(2,456,522)	3,091,617
Fund balance, beginning of year	15,666,921	15,666,921	15,666,921	-
Fund balance, end of year	\$ 13,235,971	\$ 10,118,782	\$ 13,210,399	\$ 3,091,617

See notes to required supplementary information.

COLUMBIA COUNTY FLORIDA

**COUNTY TRANSPORTATION TRUST FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,525,000	\$ 4,525,000	\$ 4,755,743	\$ 230,743
Intergovernmental	4,362,400	4,362,400	4,391,382	28,982
Charges for services	4,000	4,000	5,615	1,615
Interest	20,000	20,000	36,643	16,643
Miscellaneous	115,000	115,000	225,636	110,636
Total revenues	<u>9,026,400</u>	<u>9,026,400</u>	<u>9,415,019</u>	<u>388,619</u>
EXPENDITURES				
Current operating:				
Transportation	8,000,763	8,041,015	6,879,904	1,161,111
Capital outlay:				
Transportation	527,000	2,565,486	2,379,358	186,128
Debt service:				
Principal	240,000	317,708	252,441	65,267
Interest	20,000	20,000	17,629	2,371
Total expenditures	<u>8,787,763</u>	<u>10,944,209</u>	<u>9,529,332</u>	<u>1,414,877</u>
Excess of revenues over expenditures	<u>238,637</u>	<u>(1,917,809)</u>	<u>(114,313)</u>	<u>1,803,496</u>
Other Financing Sources				
Sale of surplus equipment	-	-	103,478	103,478
Debt proceeds	-	1,607,083	1,607,083	-
Transfers out	(1,700,000)	(1,700,000)	(1,700,000)	-
Total other financing sources	<u>(1,700,000)</u>	<u>(92,917)</u>	<u>10,561</u>	<u>103,478</u>
Net change in fund balance	<u>(1,461,363)</u>	<u>(2,010,726)</u>	<u>(103,752)</u>	<u>1,906,974</u>
Fund balance, beginning of year	5,625,232	5,625,232	5,625,232	-
Fund balance, end of year	<u>\$ 4,163,869</u>	<u>\$ 3,614,506</u>	<u>\$ 5,521,480</u>	<u>\$ 1,906,974</u>

See notes to required supplementary information.

COLUMBIA COUNTY FLORIDA

MUNICIPAL SERVICES FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 825,000	\$ 825,000	\$ 825,000	\$ -
Licenses, permits and assessments	10,351,600	10,353,155	10,042,561	(310,594)
Intergovernmental	246,250	281,646	279,686	(1,960)
Charges for services	15,600	15,600	96,342	80,742
Interest	20,000	20,000	44,418	24,418
Miscellaneous	32,200	32,200	17,093	(15,107)
Total revenues	11,490,650	11,527,601	11,305,100	(222,501)
EXPENDITURES				
Current operating:				
General government	341,185	341,185	338,931	2,254
Public safety	6,062,235	6,521,909	6,359,173	162,736
Physical environment	3,628,091	3,663,091	3,490,648	172,443
Economic environment	9,900	11,455	11,508	(53)
Capital outlay:				
Public safety	568,500	1,019,322	679,098	340,224
Debt service:				
Principal	286,673	286,673	291,653	(4,980)
Interest	54,497	54,497	49,517	4,980
Total expenditures	10,951,081	11,898,132	11,220,528	677,604
Excess of revenues over expenditure	539,569	(370,531)	84,572	455,103
Other Financing Sources (Uses)				
Transfers out	-	(250,000)	(250,000)	-
Total other financing sources (uses)	-	(250,000)	(250,000)	-
Net change in fund balance	539,569	(620,531)	(165,428)	455,103
Fund balance, beginning of year	4,136,164	4,136,164	4,136,164	-
Fund balance, end of year	\$ 4,675,733	\$ 3,515,633	\$ 3,970,736	\$ 455,103

See notes to required supplementary information.

COLUMBIA COUNTY FLORIDA

**CLERK OF CIRCUIT COURT OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 147,358	\$ 147,358	\$ 156,841	\$ 9,483
Charges for services	1,659,667	1,659,667	1,649,240	(10,427)
Fines and forfeitures	-	-	89,914	89,914
Total revenues	<u>1,807,025</u>	<u>1,807,025</u>	<u>1,895,995</u>	<u>88,970</u>
EXPENDITURES				
Current operating:				
General government	807,665	807,665	745,860	61,805
Court-related	1,408,224	1,408,224	1,491,332	(83,108)
Total expenditures	<u>2,215,889</u>	<u>2,215,889</u>	<u>2,237,192</u>	<u>(21,303)</u>
Excess of revenues over (under) expenditures	<u>(408,864)</u>	<u>(408,864)</u>	<u>(341,197)</u>	<u>67,667</u>
Other financing sources				
Interfund transfers in	408,864	408,864	341,197	(67,667)
Total other financing sources	<u>408,864</u>	<u>408,864</u>	<u>341,197</u>	<u>(67,667)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

COLUMBIA COUNTY FLORIDA

**SHERIFF OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 121,782	\$ 121,782
Charges for services	-	-	179,105	179,105
Interest	-	-	1,359	1,359
Miscellaneous	-	-	169,347	169,347
Total revenues	<u>-</u>	<u>-</u>	<u>471,593</u>	<u>471,593</u>
EXPENDITURES				
Current operating:				
Public safety	14,200,486	14,200,486	14,246,140	(45,654)
Capital outlay:				
Public safety	1,004,515	1,004,515	1,064,063	(59,548)
Total expenditures	<u>15,205,001</u>	<u>15,205,001</u>	<u>15,310,203</u>	<u>(105,202)</u>
Excess of revenues over expenditures	<u>(15,205,001)</u>	<u>(15,205,001)</u>	<u>(14,838,610)</u>	<u>366,391</u>
Other Financing Sources				
Transfers in	15,205,001	15,205,001	14,838,610	(366,391)
Total other financing sources	<u>15,205,001</u>	<u>15,205,001</u>	<u>14,838,610</u>	<u>(366,391)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

COLUMBIA COUNTY FLORIDA

**ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,275,000	\$ 4,638,201	\$ 1,482,260	\$ (3,155,941)
Interest	3,000	3,000	4,402	1,402
Total revenues	<u>1,278,000</u>	<u>4,641,201</u>	<u>1,486,662</u>	<u>(3,154,539)</u>
EXPENDITURES				
Current operating				
Economic environment	498,225	689,890	586,865	103,025
Capital outlay				
Economic environment	-	3,135,600	15,079	3,120,521
Debt service:				
Principal	479,517	515,483	515,978	(495)
Interest	10,281	10,281	9,786	495
Total expenditures	<u>988,023</u>	<u>4,351,254</u>	<u>1,127,708</u>	<u>3,223,546</u>
Excess of revenues over expenditures	<u>289,977</u>	<u>289,947</u>	<u>358,954</u>	<u>69,007</u>
Other Financing (Uses)				
Transfers out	(225,000)	(225,000)	(225,000)	-
Total other financing (uses)	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Net change in fund balance	<u>64,977</u>	<u>64,947</u>	<u>133,954</u>	<u>69,007</u>
Fund balance, beginning of year	<u>513,391</u>	<u>513,391</u>	<u>513,391</u>	<u>-</u>
Fund balance, end of year	<u>\$ 578,368</u>	<u>\$ 578,338</u>	<u>\$ 647,345</u>	<u>\$ 69,007</u>

See notes to required supplementary information.

COLUMBIA COUNTY FLORIDA

**COUNTY FACILITIES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,260,000	\$ 5,573,873	\$ -	\$ (5,573,873)
Charges for services	-	-	31,025	31,025
Interest	-	29,018	29,018	-
Miscellaneous	-	11,176	16,176	5,000
Total revenues	<u>5,260,000</u>	<u>5,614,067</u>	<u>76,219</u>	<u>(5,537,848)</u>
EXPENDITURES				
Current expenditures:				
General government	950,000	580,000	24,976	555,024
Public safety	100,000	84,258	82,767	1,491
Culture/recreation	666,300	718,199	322,284	395,915
Capital outlay:				
General government	9,000,000	970,000	-	970,000
Public safety	7,930,000	9,343,745	3,490,436	5,853,309
Physical environment	2,560,000	2,531,724	121,461	2,410,263
Transportation	70,000	120,000	-	120,000
Culture/recreation	175,000	511,890	137,218	374,672
Total expenditures	<u>21,451,300</u>	<u>14,859,816</u>	<u>4,179,142</u>	<u>10,680,674</u>
Excess of revenues over expenditures	<u>(16,191,300)</u>	<u>(9,245,749)</u>	<u>(4,102,923)</u>	<u>5,142,826</u>
Other financing sources (uses)				
Debt proceeds	8,000,000	8,013,000	8,013,000	-
Interfund transfers in	3,250,000	4,790,632	4,790,632	-
Interfund transfers out	-	(8,042,018)	(8,042,018)	-
Total other financing sources (uses)	<u>11,250,000</u>	<u>4,761,614</u>	<u>4,761,614</u>	<u>-</u>
Net change in fund balance	<u>(4,941,300)</u>	<u>(4,484,135)</u>	<u>658,691</u>	<u>5,142,826</u>
Fund balance, beginning of year	<u>4,462,804</u>	<u>4,462,804</u>	<u>4,462,804</u>	<u>-</u>
Fund balance, end of year	<u>\$ (478,496)</u>	<u>\$ (21,331)</u>	<u>\$ 5,121,495</u>	<u>\$ 5,142,826</u>

See notes to required supplementary information.

COLUMBIA COUNTY FLORIDA

ROAD IMPROVEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Intergovernmental	8,604,288	8,955,966	1,267,345	(7,688,621)
Interest	-	-	58,669	58,669
Total revenues	8,754,288	9,105,966	1,476,014	(7,629,952)
EXPENDITURES				
Current operating:				
Transportation	478,250	1,152,693	568,657	584,036
Capital outlay:				
Transportation	15,547,309	15,125,368	6,016,757	9,108,611
Total expenditures	16,025,559	16,278,061	6,585,414	9,692,647
Excess of revenues over expenditures	(7,271,271)	(7,172,095)	(5,109,400)	2,062,695
Other Financing Sources				
Transfers in	825,000	373,500	373,500	-
Total other financing sources	825,000	373,500	373,500	-
Net change in fund balance	(6,446,271)	(6,798,595)	(4,735,900)	2,062,695
Fund balance, beginning of year	8,198,873	8,198,873	8,198,873	-
Fund balance, end of year	\$ 1,752,602	\$ 1,400,278	\$ 3,462,973	\$ 2,062,695

See notes to required supplementary information.

COLUMBIA COUNTY, FLORIDA

**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability					
Retirement	0.1020%	0.1011%	0.1031%	0.0980%	0.0918%
Health insurance subsidy	0.0681%	0.0675%	0.0675%	0.0672%	0.0675%
County's proportionate share of the net pension liability					
Retirement	\$ 30,727,794	\$ 29,895,132	\$ 26,020,964	\$ 12,652,261	\$ 6,073,497
Health insurance subsidy	7,203,408	7,214,936	7,861,195	6,853,010	5,603,796
Total	<u>\$ 37,931,202</u>	<u>\$ 37,110,068</u>	<u>\$ 33,882,159</u>	<u>\$ 19,505,271</u>	<u>\$ 11,677,293</u>
County's covered payroll	\$ 22,508,514	\$ 22,085,094	\$ 21,502,670	\$ 21,254,324	\$ 20,866,802
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	168.52%	168.03%	157.57%	91.77%	55.96%
Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

GASB 68 requires information for 10 years. Until a full 10 year trend has been compiled, only those years for which information is available has been presented.

See notes to required supplementary information.

COLUMBIA COUNTY, FLORIDA

**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions					
Pension plan	\$ 3,233,603	\$ 2,933,891	\$ 3,081,793	\$ 2,603,392	\$ 2,366,976
Health insurance subsidy	369,084	357,107	345,742	340,622	301,780
	<u>\$ 3,602,687</u>	<u>\$ 3,290,998</u>	<u>\$ 3,427,535</u>	<u>\$ 2,944,014</u>	<u>\$ 2,668,756</u>
Contributions in relation to the contractually required contributions	\$ 3,602,687	\$ 3,290,998	\$ 3,427,535	\$ 2,944,014	\$ 2,608,294
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered employee payroll	\$ 22,508,514	\$ 22,085,094	\$ 21,502,670	\$ 21,254,324	\$ 20,866,802
Contributions as a percentage of covered employee payroll					
Pension plan	14.37%	13.28%	14.35%	12.25%	11.34%
Health insurance subsidy	1.64%	1.62%	1.61%	1.60%	1.45%

GASB 68 requires information for 10 years. Until a full 10 year trend has been compiled, only those years for which information is available has been presented.

See notes to required supplementary information.

COLUMBIA COUNTY, FLORIDA

**SCHEDULE OF CHANGES TO THE OPEB LIABILITY
September 30, 2018**

	<u>September 30, 2018</u>	
Total OPEB Liability		
Service Cost	\$	19,860
Interest Cost		8,684
Changes in Benefit Terms		-
Differences Between Expected and Actual Experience		-
Changes in Assumptions		(6,420)
Benefit payments		<u>(21,000)</u>
Net Change in Total OPEB Liability		1,124
Total OPEB Liability - Beginning of Year		<u>258,636</u>
Total OPEB Liability - End of Year	\$	<u><u>259,760</u></u>

**SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
September 30, 2018**

	<u>September 30, 2018</u>	
Contributions - Employer	\$	21,000
Net Investment Income		-
Benefit Payments (net of retiree contributions)		(21,000)
Administrative Expense		-
Net Change in Fiduciary Net Position		-
Fiduciary Net Position - Beginning of Year		-
Fiduciary Net Position - End of Year	\$	<u><u>-</u></u>

Net OPEB Liability	\$	259,760
Fiduciary Net Position as a % of Total OPEB Liability		0.00%
Covered -Employee Payroll *		-
Net OPEB Liability as a % of Payroll *		-
Expected Average Remaining Service of all Participants		7

* Because the Plan does not depend on salary, there is no salary information.

No earlier information is available is available for these schedules and the related ratios.
See notes to required supplementary information.

COLUMBIA COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended September 30, 2018

NOTE 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 governmental and enterprise funds. All annual appropriations lapse at fiscal year end.

The County generally follows these procedures in establishing the budgetary data for the governmental and enterprise funds as reflected in the financial statements:

1. Prior to September 30, the County Manager, serving as Budget Officer, submits to the Board of County Commissioners (BOCC) a tentative budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the BOCC to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through passage of a resolution by the BOCC.
4. The Constitutional Officers submit, at various times prior to September 30, to the BOCC and to certain divisions within the Department of Revenue, State of Florida, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them, as set forth in Chapter 129 of the *Florida Statutes*.
5. The Department of Revenue, State of Florida, has the final authority on the operating budgets for the Tax Collector and Property Appraiser, which are classified as separate special revenue funds.
6. The BOCC is authorized to amend fixed appropriations by motion to the extent that appropriations do not exceed the total approved budget of the fund, or appropriate for special purpose intended, reserves or unanticipated receipts. Appropriations lapse at year end. No supplemental appropriations were necessary during the year. Various such amendments were made during the year.
7. Formal budgetary integration is employed as a management control device in all governmental and enterprise funds.
8. Governmental fund budgets are initially adopted on the modified accrual basis. The legally amended budgetary data presented in the accompanying financial statements for the fiscal year ending September 30, 2018 are shown on this basis of accounting. Therefore, the actual and budgetary data are on a comparable basis.
9. Enterprise fund budgets are adopted on the accrual basis except that depreciation is not budgeted.
10. Legal control of the budget is exercised pursuant to applicable provisions of the *Florida Statutes*.
11. Appropriations for the County lapse at the close of the fiscal year.

The following is a comparison of the appropriations to total expenses for the proprietary funds for the fiscal year ended September 30, 2018.

	<u>Appropriations</u>	<u>Expenses</u>	<u>Variance Positive Negative</u>
Enterprise Funds			
Landfill Enterprise	\$ 4,116,864	\$ 3,239,841	\$ 877,023
Utilities	2,520,095	386,632	2,133,463
	<u>\$ 6,636,959</u>	<u>\$ 3,626,473</u>	<u>\$ 3,010,486</u>

NOTE 2. PENSION PLAN

Net Pension Liability

The components of the collective net pension liability of the participating employers for each defined benefit plan for the measurement date of September 30, 2018, are shown below (in thousands):

	<u>FRS</u>	<u>HIS</u>
Total Pension Liability	\$ 191,317,399	\$ 10,816,576
Plan fiduciary net position	(161,196,881)	(232,463)
Net Pension Liability	<u>\$ 30,120,518</u>	<u>\$ 10,584,113</u>

Plan Fiduciary Net Position as a Percentage
of the Total Pension Liability

84.26%

2.15%

The total pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2018. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The HIS actuarial valuation was prepared as of July 1, 2018. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the Plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis for Allocation

The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the System's fiscal years ending June 30, 2014, 2015, 2016, 2017 and 2018, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2018, in addition to contributions from employers the required accrued contributions for the Division (paid on behalf of the Division's employees who administer the Plans) were allocated to each employer on a

proportionate basis. The Division administers the Plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable for that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflow of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

Actuarial Methods and Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan 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 Pension Plan was completed in 2014 for the period July 1, 2008 through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age 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 Pension Plan investments is 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 of 7.00%.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both Plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – See Additional Financial and Actuarial Information).

The following actuarial assumptions applied in 2018:

- **FRS:** The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return decreased from 7.10% in 2017 to 7.00%
- **HIS:** The municipal bonds rate used to determine total pension liability was increased from 3.58% to 3.87%.

NOTE 3. OPEB PLAN

There were no difference between projected and actual earnings on the OPEB Plan for the current year or in prior years. There were no differences between expected and actual experience in the current or prior years.

Schedules of changes in assumptions and deferred inflows (outflows) from changes in assumptions follow:

Increase (Decrease) in OPEB Expense Arising from the Effects of Changes in Assumptions

Fiscal Year	Changes in Assumptions	Recognition Period (Years)	Balances at								
			2014	2015	2016	2017	2018	2019	2020	2021	2022
2014	\$ -	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ -	5	-	-	-	-	-	-	-	-	-
2016	\$ -	5	-	-	-	-	-	-	-	-	-
2017	\$ -	5	-	-	-	-	-	-	-	-	-
2018	\$ (6,420)	5	-	-	-	-	(917)	(917)	(917)	(917)	(917)
Net Increase (decrease) in OPEB expense			\$ -	\$ -	\$ -	\$ -	\$ (917)	\$ (917)	\$ (917)	\$ (917)	\$ (917)

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Changes in Assumptions

Fiscal Year	Increase in the Total OPEB Liability	Decreases in the Total OPEB Liability	Amounts Recognized in OPEB Expense Through September 30, 2018	Balances at September 30, 2018	
				Deferred Outflows of Resources	Deferred Inflows of Resources
2014	\$ -	\$ -	\$ -	\$ -	\$ -
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	6,420	917	-	5,503
Net Increase (decrease) in OPEB expense			\$ 6,420	\$ 917	\$ 5,503

**FUND INDIVIDUAL AND
COMBINING STATEMENTS**

**COLUMBIA COUNTY, FLORIDA
SHERIFF
INTERNAL SERVICE FUND
FLORIDA SHERIFF'S MULTIPLE EMPLOYERS TRUST
SELF-INSURED CONSORTIUM**

**STATEMENT OF NET ASSETS AND CHANGES IN NET ASSETS
September 30, 2018**

Statement of Net Assets

Assets

Cash	\$ 35,538
AR - Membership Contributions	3,943
	<u>39,481</u>

Liabilities & Equity

AP - Carriers	576
AP - Line of Credit	87,789
IBNR	105,219
	<u>193,584</u>

Reserves

Operating Reserves	<u>\$ (154,103)</u>
--------------------	---------------------

Statement of Changes in Net Assets

Revenue

Medical	\$1,346,378
Add'l Claims Funding	300,900
Pharmaceutical Rebates	3,298
	<u>1,650,576</u>

Claims

Claims - Medical	1,062,395
Claims - Rx	215,294
Claims - Mental Health	5,306
Claims - Refunds/Recoveries	-
Claims - Stop Loss - Excess Claims	-
Claims - CY IBNR Actuary	(43,008)
Claims - Administration	214,502
	<u>1,454,489</u>

Other Expenses

Premium - Network Access Fee	9,235
Premium - Care Coordinator	42,867
Premium - Stop Loss	215,226
Fees - Actuary	1,679
Fees - Trust Admin - Health	25,858
	<u>294,865</u>

Changes in Net Assets (98,778)

Net Assets as of September 30, 2017 (55,325)

Net Assets Available for Benefits as of September 30, 2018 \$ (154,103)

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
SHERIFF
INTERNAL SERVICE FUND
FLORIDA SHERIFF'S MULTIPLE EMPLOYERS TRUST
SELF-INSURED CONSORTIUM**

**STATEMENT OF CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2018**

MEMBERSHIP CONTRIBUTIONS	
Health	\$ 1,346,378
Additional Funding	300,900
TOTAL MEMBERSHIP CONTRIBUTIONS	<u>1,647,278</u>
 OTHER INCOME	
Pharmacy Rebates	3,298
TOTAL OTHER INCOME	<u>3,298</u>
 TOTAL INCOME	 <u><u>\$ 1,650,576</u></u>
 CLAIMS & CLAIM EXPENSES	
Claims Paid - Medical	\$ 1,374,673
Claims Paid - Prescriptions	215,294
Claims Paid - Consortium Specific Deductible	(312,278)
Claims Paid - Excess Reimbursements	-
Claims Paid - Mental Health/Substance Abuse	5,306
Claims Administration - Medical	36,790
Claims Admin - Consortium Specific Deductible Contribution	177,712
Change in Claims Incurred But Not Reported (IBNR)	(43,008)
TOTAL CLAIMS & CLAIMS EXPENSES	<u>1,454,489</u>
 OTHER EXPENSES	
Trust Administration Fee	25,858
Network Access	9,235
Care Coordinator	42,867
Stop Loss	215,226
Actuary Services	1,679
TOTAL OTHER EXPENSES	<u>294,865</u>
 TOTAL EXPENSES	 1,749,354
 FUND BALANCE September 30, 2017	 <u>(55,325)</u>
 FUND BALANCE September 30, 2018	 <u><u>\$ (98,778)</u></u>

See notes to financial statements.

**COLUMBIA COUNTY, FLORIDA
SHERIFF
INTERNAL SERVICE FUND
FLORIDA SHERIFF'S MULTIPLE EMPLOYERS TRUST
SELF-INSURED CONSORTIUM**

**STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2018**

	2018
Cash Flows from Operating Activities	
Change in Net Assets Available	\$ (98,778)
Adjustments to reconcile operating loss to net cash: (used in) provided by operating activities	
Receivables	124,065
Prepaid expenses	-
Accounts payable and other	(1,693)
Due to participating Sheriff offices due to administrator	-
Advance Premiums	-
Reserve for unpaid claims and claims adjustment expenses	(43,008)
	-
Net Cash (used in) provided by operating activities	\$ (19,414)
Cash Flows from Investing Activities	
Line of credit, net	\$ 27,789
Decrease in fair value of investments	-
Investment income	-
Purchases of investments and reinvested earnings	-
Net cash used in investing activities	27,789
	-
(Decrease) increase in cash and cash equivalents	8,375
Cash and cash equivalents, beginning of year	27,163
Cash and cash equivalents, end of year	\$ 35,538

See notes to financial statements.

COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

September 30, 2018

	Clerk of Courts			Property	Special			Revenue	Funds		Supervisor	Tax	Board of
	Public Records	Reserved	Teen Court	Appraiser	Minimum	Forfeiture	Inmate	Forfeiture	Work	of Elections	Collector	County Commissioners	
	Trust	10%		Operating	Standards		Welfare	Nongrant	Program	Operating	Operating	Court	
				School								Reporters	
ASSETS													
Current assets													
Cash	\$ 267,023	\$ 2,013	\$ -	\$ 95,126	\$ 10,748	\$ 39,450	\$ 395,173	\$ 206,412	\$ 12,117	\$ 32,189	\$ 202,687	\$ 23,002	
Accounts receivable	-	-	-	-	-	-	-	-	-	-	3,900	-	
Due from other funds	19,370	-	1,566	-	-	-	34,635	-	-	-	47,750	-	
Due from other governmental units	-	-	-	-	-	14,446	-	-	-	12,000	-	-	
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-	-	
Investments	-	-	-	-	-	-	-	-	-	-	-	-	
Total assets	\$ 286,393	\$ 2,013	\$ 1,566	\$ 95,126	\$ 10,748	\$ 53,896	\$ 429,808	\$ 206,412	\$ 12,117	\$ 44,189	\$ 254,337	\$ 23,002	
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Current liabilities													
Accounts payable	\$ 110	\$ -	\$ -	\$ -	\$ 380	\$ 905	\$ 32,080	\$ -	\$ -	\$ 5,978	\$ 27,134	\$ 2,537	
Accrued wages	-	-	-	-	-	-	-	-	-	-	-	-	
Accrued payroll liabilities	-	-	-	-	-	-	-	-	-	7,012	565	-	
Due to other funds	-	-	10,297	87,741	-	-	-	-	-	-	214,182	-	
Due to other governmental units	-	2,013	-	7,385	-	-	-	-	-	-	12,456	-	
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	
Revenues collected in advance	-	-	-	-	-	-	-	-	-	31,199	-	-	
Total liabilities	110	2,013	10,297	95,126	380	905	32,080	-	-	44,189	254,337	2,537	
FUND BALANCES													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	
Restricted	286,283	-	(8,731)	-	10,368	52,991	397,728	206,412	12,117	-	-	20,465	
Committed	-	-	-	-	-	-	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	
Total fund balances	286,283	-	(8,731)	-	10,368	52,991	397,728	206,412	12,117	-	-	20,465	
Total liabilities and fund balances	\$ 286,393	\$ 2,013	\$ 1,566	\$ 95,126	\$ 10,748	\$ 53,896	\$ 429,808	\$ 206,412	\$ 12,117	\$ 44,189	\$ 254,337	\$ 23,002	

(continued)

COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

September 30, 2018

	Special Revenue Funds					Debt Service Fund				Capital Projects		Total Nonmajor Governmental Funds	
	Board of County Commissioners												
	Court Service	Impact Fees	Law Enforcement Special	Library Enhancement Grant	SHIP	Tourist Development Tax	Sheriff Special Revenue	Administration Building Debt Service	Jail Debt Service	Road Improvement	Paving Assess- ments		Jail Construction
ASSETS													
Cash	\$ 107,778	\$ 45,974	\$ 24,036	\$ 702,340	\$ 15,089	\$ 549,070	\$ 3,209,547	\$ -	\$ 385,346	\$ 119,270	\$ 179,866	\$ 3,000,236	\$ 9,624,491
Accounts and interest receivable	-	961	-	-	-	1,345	-	-	-	-	32	9,436	15,675
Due from other funds	12,368	-	-	-	-	-	380,391	-	-	-	-	-	496,080
Due from other governmental units	15,765	-	-	86,880	-	105,318	-	-	-	15,775	-	-	250,184
Prepaid expense	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments	508,009	256,298	1,507	-	-	2,226,553	-	-	-	-	-	7,000,000	9,992,367
Total assets	\$ 643,920	\$ 303,233	\$ 25,543	\$ 789,220	\$ 15,089	\$ 2,882,286	\$ 3,589,938	\$ -	\$ 385,346	\$ 135,045	\$ 179,898	\$ 10,009,672	\$ 20,378,797
LIABILITIES AND FUND BALANCES													
LIABILITIES													
Current liabilities													
Accounts payable	\$ 36,739	\$ -	\$ -	\$ 16,998	\$ -	\$ 16,160	-	\$ -	\$ 212,206	\$ -	\$ 1,000	\$ 42,732	\$ 394,959
Accrued wages payable	498	-	-	14,549	-	2,846	-	-	-	-	-	779	18,672
Accrued payroll liabilities	-	-	-	-	-	-	-	-	-	-	-	-	7,577
Due to other funds	-	-	-	-	-	-	84,650	-	-	-	-	-	396,870
Due to other governmental units	-	-	-	-	-	-	-	-	-	-	-	-	21,854
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	1,573	-	-	-	-	-	-	-	32,772
Total liabilities	37,237	-	-	31,547	1,573	19,006	84,650	-	212,206	-	1,000	43,511	872,704
FUND BALANCES													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	606,683	303,233	25,543	757,673	13,516	2,863,280	3,505,288	-	173,140	135,045	178,898	-	9,539,932
Committed	-	-	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	9,966,161	9,966,161
Total fund balances	606,683	303,233	25,543	757,673	13,516	2,863,280	3,505,288	-	173,140	135,045	178,898	9,966,161	19,506,093
Total liabilities and fund balances	\$ 643,920	\$ 303,233	\$ 25,543	\$ 789,220	\$ 15,089	\$ 2,882,286	\$ 3,589,938	\$ -	\$ 385,346	\$ 135,045	\$ 179,898	\$ 10,009,672	\$ 20,378,797

See notes to financial statements.

**COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

For the Fiscal Year Ending September 30, 2018

Special Revenue Funds

	Clerk of Courts			Property Appraiser	Sheriff				Supervisor of Elections	Tax Collector	Board of County Commissioners	
	Public Records Modernization Trust	Reserved 10%	Teen Court	Operating	Minimum Standards School	Forfeiture	Inmate Welfare	Forfeiture Nongrant	Work Program	Operating	Operating	Court Reporters
REVENUES												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, assessments	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	23,447	-	-	-	92,185	-	127,446
Charges for services	118,098	-	17,785	119,032	-	-	147,615	-	3,199	-	1,967,378	-
Fines and forfeitures	-	-	-	-	9,672	25,718	-	54,153	-	-	-	-
Interest income	-	-	-	132	22	38	192	174	6	22	400	-
Miscellaneous	-	-	-	2,059	-	1,322	12,599	-	-	30,197	433	-
Total revenues	118,098	-	17,785	121,223	9,694	50,525	160,406	54,327	3,205	122,404	1,968,211	127,446
EXPENDITURES												
Current Expenditures												
General government	-	-	-	1,579,903	-	-	-	-	-	841,098	1,754,029	-
Public safety	-	-	-	-	18,974	27,960	113,575	3,938	1,304	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-
Court - related	21,772	73,630	20,521	-	-	-	-	-	-	-	-	126,020
Capital outlay												
General government	-	-	-	26,390	-	-	-	-	-	98,266	-	-
Public safety	-	-	-	-	-	-	-	8,950	-	-	-	-
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-
Court - related	2,710	64,192	-	-	-	-	-	-	-	-	-	-
Debt service												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	24,482	137,822	20,521	1,606,293	18,974	27,960	113,575	12,888	1,304	939,364	1,754,029	126,020
Excess of revenues over (under) expenditures	93,616	(137,822)	(2,736)	(1,485,070)	(9,280)	22,565	46,831	41,439	1,901	(816,960)	214,182	1,426
OTHER FINANCING SOURCES (USES)												
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Interfund transfers in	-	-	-	1,485,070	-	-	-	-	-	816,960	-	-
Interfund transfers out	-	-	-	-	-	-	-	-	-	-	(214,182)	-
Total other financing sources (uses)	-	-	-	1,485,070	-	-	-	-	-	816,960	(214,182)	-
Net change in fund balances	93,616	(137,822)	(2,736)	-	(9,280)	22,565	46,831	41,439	1,901	-	-	1,426
Fund balances beginning of year	192,667	137,822	(5,995)	-	19,648	30,426	350,897	164,973	10,216	-	-	19,039
Fund balances end of year	\$ 286,283	\$ -	\$ (8,731)	\$ -	\$ 10,368	\$ 52,991	\$ 397,728	\$ 206,412	\$ 12,117	\$ -	\$ -	\$ 20,465

(Continued)

**COLUMBIA COUNTY FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

For the Fiscal Year Ending September 30, 2018

	Special Revenue Funds				Debt Service Funds				Capital Projects Funds		Total Nonmajor Governmental Funds		
	Board of County Commissioners												
	Court Service	Impact Fees	Law Enforcement Special	Library Enhancement Grant	SHIP	Tourist Development Tax	Sheriff Special Revenue	Administration Building Debt Service	Jail Debt Service	Road Improvement		Paving Assess- ments	Jail Construction
REVENUES													
Taxes	\$ 325,000	\$ -	\$ -	\$ 1,062,269	\$ -	\$ 1,606,201	\$ -	\$ -	\$ -	\$ 685,000	\$ -	\$ -	\$ 3,678,470
Licenses, permits, assessments	-	-	-	-	-	-	-	-	-	17,940	-	-	17,940
Intergovernmental revenue	-	-	-	622,365	350,000	5,333	-	-	-	-	-	-	1,220,776
Charges for services	153,100	-	-	10,192	-	-	-	-	-	-	-	-	2,536,399
Fines and forfeitures	-	-	584	24,523	-	-	-	-	-	-	-	-	114,650
Interest income	5,686	4,297	353	4,748	-	22,539	-	1,355	1,304	1,788	63,297	-	106,353
Miscellaneous	-	-	-	24,782	25,516	28,147	-	-	-	-	-	-	125,055
Total revenues	483,786	4,297	937	1,748,879	375,516	1,662,220	-	-	1,355	686,304	19,728	63,297	7,799,643
EXPENDITURES													
Current Expenditures													
General government	13,963	-	-	-	-	-	44,552	-	-	1,859	-	-	4,235,404
Public safety	-	-	-	-	-	-	-	-	-	-	20,013	-	185,764
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	375,516	727,830	-	-	-	-	-	-	1,103,346
Human services	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	1,459,828	-	-	-	-	-	-	-	-	1,459,828
Court - related	412,780	-	-	-	-	-	-	-	-	-	-	-	654,723
Capital outlay													
General government	-	-	-	-	-	-	-	-	-	-	-	-	124,656
Public safety	-	-	-	-	-	-	-	-	-	-	549,230	-	558,180
Physical environment	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	36,039	-	-	-	-	-	-	36,039
Culture/recreation	-	-	-	-	-	-	-	-	-	-	-	-	-
Court-related	-	-	-	-	-	-	-	-	-	-	-	-	66,902
Debt service													
Principal	-	-	-	-	-	-	-	386,544	571,000	-	-	-	957,544
Interest	-	-	-	-	-	-	-	144,119	76,256	-	-	-	220,375
Total expenditures	426,743	-	-	1,459,828	375,516	763,869	-	44,552	530,663	647,256	1,859	569,243	9,602,761
Excess of revenues over (under) expenditures	57,043	4,297	937	289,051	-	898,351	-	(44,552)	(529,308)	39,048	17,869	(505,946)	(1,803,118)
OTHER FINANCING SOURCES (USES)													
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	47,000	-	-	-	-	-	47,000
Interfund transfers in	-	-	-	-	-	14,992,241	700,000	702,448	-	-	10,472,107	-	29,168,826
Interfund transfers out	(350,000)	-	(14,000)	-	-	(15,567,907)	(702,448)	-	-	-	-	-	(17,148,537)
Total other financing sources (uses)	(350,000)	-	(14,000)	-	-	(300,000)	(575,666)	44,552	702,448	-	10,472,107	-	12,067,289
Net change in fund balances	(292,957)	4,297	(13,063)	289,051	-	598,351	(575,666)	-	173,140	39,048	17,869	9,966,161	10,264,171
Fund balances beginning of year	899,640	298,936	38,606	468,622	13,516	2,264,929	4,080,954	-	-	95,997	161,029	-	9,241,922
Fund balances end of year	\$ 606,683	\$ 303,233	\$ 25,543	\$ 757,673	\$ 13,516	\$ 2,863,280	\$ 3,505,288	\$ -	\$ 173,140	\$ 135,045	\$ 178,898	\$ 9,966,161	\$ 19,506,093

See notes to financial statements.

**COLUMBIA COUNTY FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
September 30, 2018**

	Clerk of Circuit Court					Sheriff				Tax Collector		Totals
	Clerk's Trust	Employee Sunshine	Domestic Relations	Jury Witness	Public Defender Occupancy Trust	Individual Depositors	Inmate Trust	Donation Trust	Evidence Trust	Tag Agency	Ad Valorem Tax Agency	
ASSETS												
Cash	\$ 1,464,212	\$ 338	\$ 739	\$ 7,894	\$ 22,204	\$ 7,681	\$ 372,120	\$ 9,147	\$ 88,833	\$ 160,010	\$ 1,752,277	\$ 3,885,455
Accounts receivable	3,474	-	-	-	-	-	-	-	-	1,910	-	5,384
Total assets	\$ 1,467,686	\$ 338	\$ 739	\$ 7,894	\$ 22,204	\$ 7,681	\$ 372,120	\$ 9,147	\$ 88,833	\$ 161,920	\$ 1,752,277	\$ 3,890,839
LIABILITIES												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239	\$ 75	\$ 314
Cash bond liability	41,016	-	-	-	-	-	-	-	-	-	-	41,016
Court fees payable	292,580	-	-	-	-	-	-	-	-	-	-	292,580
Deposits held in escrow	127,616	-	-	-	-	-	-	-	-	-	24,770	152,386
Due to other funds	209,888	-	-	-	-	7,681	38,114	-	-	20,632	47,750	324,065
Due to other governmental units	346,813	-	739	7,894	-	-	-	-	-	127,202	1,548,590	2,031,238
Tax deeds payable	423,336	-	-	-	-	-	-	-	-	-	115,209	538,545
Other current liabilities	26,437	338	-	-	22,204	-	334,006	9,147	88,833	13,847	15,883	510,695
Total liabilities	1,467,686	338	739	7,894	22,204	7,681	372,120	9,147	88,833	161,920	1,752,277	3,890,839
NET POSITION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See notes to financial statements.

SINGLE AUDIT AND COMPLIANCE SECTION

**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**

To the Board of County Commissioners
and Constitutional Officers
Columbia County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbia County, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Columbia County, Florida's basic financial statements, and have issued our report thereon dated April 7, 2019.

Internal Control Over Financial Reporting

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

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

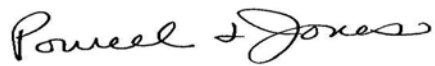
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
April 7, 2019

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, OFFICE OF THE AUDITOR GENERAL

**To the Board of County Commissioners
and Constitutional Officers
Columbia County, Florida**

Report on Compliance for Each Major State Project

We have audited the compliance of Columbia County, Florida with the types of compliance requirements described in the State of Florida, Department of Financial Services State Projects Compliance Supplement, that could have a direct and material effect on its major State project for the year ended September 30, 2018. Columbia County, Florida's major State project is identified in the summary of auditors' results section of the accompanying Schedule of Findings.

Management's Responsibility

Columbia County, Florida's management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major State project.

Auditors' Responsibility

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

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

Opinion on Each Major State Project

In our opinion, Columbia 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 its major State projects for the fiscal year ended September 30, 2018.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

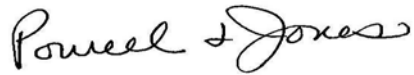
Internal Control Over Compliance

Management of Columbia County, Florida is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Columbia County, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on a major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State Project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the State of Florida, Office 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 Columbia County, Florida's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. 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.

Pursuant to Chapter 119, *Florida Statutes*, this report is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this report is intended solely for the information and use of Columbia County, Florida's management, State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
April 7, 2019

COLUMBIA COUNTY, FLORIDA
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Fiscal Year Ended September 30, 2018

STATE GRANTOR / PASS THROUGH GRANTOR / PROGRAM TITLE	CFSA #	Grant #	PROGRAM OR AWARD AMOUNT	REPORTED IN PRIOR YEARS	REVENUES RECOGNIZED	EXPENDITURES	ACCRUED / (UNEARNED) 9/30/18
STATE FINANCIAL ASSISTANCE							
<i>Department of Emergency Management</i>							
Emergency Management Programs	31.063	18-BG-W9-03-22-01-085	\$ 105,806	\$ 20,416	\$ 105,806	\$ 85,390	\$ 41,317
Emergency Management Preparedness and Assistance Grant	31.063	19-BG-21-03-22-01-027	105,806	-	-	21,778	-
<i>Florida Department of Environmental Protection</i>							
Small County Solid Waste Grant Agreement	37.012	SC804	90,909	-	90,909	90,909	-
Ellisville WWTP Collection System Expansion	37.039	LP12043	500,000	107,726	392,274	-	-
<i>Florida Department of Health</i>							
Emergency Medical Services (EMS) County Grant	64.005	C6012	14,475	-	7,120	7,120	(6,354)
<i>Florida Department of Economic Opportunity</i>							
North Florida Mega Industrial Park (NFMIP)	40.042	G346	299,886	151,915	186,184	118,746	-
<i>Department of Agriculture and Consumer Services</i>							
Anthropod Mosquito Control State Aid	42.003	FDACS Contract #024781	31,540	-	32,468	32,378	-
<i>Department of Financial Services</i>							
<i>State Fire Marshal</i>							
17/18 Florida Firefighter Assistance Grant Program	43.006	FM405	11,523	-	11,511	11,511	-
<i>Florida Department of State</i>							
State Aid to Libraries Grant	45.030	18-ST-09	622,365	-	622,365	622,365	-
<i>Florida Housing Finance Corporation</i>							
<i>State Housing Initiatives Program</i>							
SHIP Grant Program YR 17/18	40.901	FY17-18	350,000	-	350,000	350,000	-
SHIP Program Income	40.901	FY17-18	-	-	25,516	25,516	(1,573)
<i>Florida Department of Transportation</i>							
Small County Outreach Program - Old Wire Road	55.009	433031-1-58-01	1,237,500	42,369	247,528	947,602	-
Small County Outreach Program - Callahan Ave	55.009	437006-1-54-01	905,827	84,426	427,153	525,326	-
Small County Outreach Program - Bell Road	55.009	430720-1-58-01	1,165,836	194,407	45,134	45,134	-
Small County Outreach Program - Croft Bridge	55.009	439056-1-54-01	166,705	13,275	139,790	139,790	-
Small County Outreach Program - Brighton Court/Durrant St	55.009	440005-1-54-01	351,678	-	339,388	337,320	293,042
Small County Road Assistance Program - King/Mauldin	55.016	434566-1-54-01	1,144,500	4,047	28,882	28,882	-
Small County Road Assistance Program - NW Moore Rd	55.016	434581-1-54-01	1,423,125	36,753	8,085	11,910	-
Small County Road Assistance Program - SW Mt Carmel	55.016	436439-1-54-01	1,190,000	-	31,383	31,383	-
<i>Passed through the Florida Sheriffs Association</i>							
Teen Driver Challenge		GOP36	4,500		1,700	1,700	-
<i>Florida E-911 Board Department of Management Services</i>							
Spring 2017 Rural E-911 Grant	72.001	17-04-25	67,210	-	67,210	67,210	-
Fall 2017 E-911 Rural Grant	72.001	17-11-04	1,655	1,655	1,655	1,655	-
Spring 2018 Rural E-911 Grant	72.001	18-04-05	73,425	-	73,425	73,425	73,425
Spring 2018 Rural E-911 Grant	72.001	18-04-06	13,413	-	13,431	13,431	13,431
TOTAL STATE FINANCIAL ASSISTANCE			\$ 9,877,684	\$ 656,989	\$ 3,248,917	\$ 3,590,478	\$ 413,287

See notes to Schedule of Expenditures of State Financial Assistance.

COLUMBIA COUNTY, FLORIDA

Notes to Schedule of State Financial Assistance

For the Fiscal Year Ended September 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and presentation of the Single Audit Report of Columbia, County, Florida, (the "County") have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the *Chapter 10.550 Rules of the State of Florida, Office of the Auditor General*.

A. Reporting Entity

The reporting entity consists of Columbia County, the primary government, and each of its component units. The County includes a Schedule of Expenditures of State Financial Assistance in the Compliance Section

B. Basis of Accounting

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

The modified accrual basis of accounting is followed in the Schedule of Expenditures of State Financial Assistance. Under the modified accrual basis, revenues are recognized when they become 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 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

COLUMBIA COUNTY, FLORIDA
SCHEDULE OF FINDINGS
For the Fiscal Year Ended September 30, 2018

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
● Material weakness identified?	No
● Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements	No

State Financial Assistance

Internal control over major projects:

● Material weakness identified?	No
● Significant deficiencies identified not considered to be material weaknesses?	None reported

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

Any audit findings disclosed that are required to be reported in accordance with Rule 10.656, *Rules of the Auditor General*? No

Identification of Major Programs:

<u>CSFA Number</u>	<u>Name of State Programs</u>
55.009	Department of Transportation Small County Outreach Program
72.001	E-911 Board Department of Management Services Rural E-911 Grants
42.003	Department of Agriculture and Consumer Services Arthropod Mosquito Control
43.006	Department of Financial Services Florida Firefighter Assistance Grant Program
64.005	Department of Health EMS County Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Financial Statement Findings

None

State Financial Assistance Findings and Questioned Costs

None

MANAGEMENT LETTER

Honorable Board of
County Commissioners
and Constitutional Officers
Columbia County, Florida

We have audited the financial statements of Columbia County, Florida, as of and for the year ended September 30, 2018, and have issued our report thereon dated April 7, 2019.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance with Requirements that Could have a Direct and Material Effect on Each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550 *Rules of the Auditor General*, and Schedule of Findings. Disclosures in those reports and schedule, which are dated April 7, 2019, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which govern the conduct of local governmental entity audits performed in the State of Florida and require that the following items be addressed in this letter.

BOARD OF COUNTY COMMISSIONERS

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

CLERK OF THE CIRCUIT COURT

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

PROPERTY APPRAISER

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SHERIFF

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

SUPERVISOR OF ELECTIONS

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

TAX COLLECTOR

PRIOR YEAR FINDINGS

There were no reportable findings in the prior year.

CURRENT YEAR FINDINGS

There were no reportable findings in the current year.

AUDITOR GENERAL COMPLIANCE MATTERS

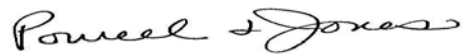
Annual Local Government Financial Report - The Financial Report filed with the Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the accompanying financial statements of Columbia County, Florida, for the year ended September 30, 2018.

Financial Emergency Status - We determined that the County had not met any of conditions described in Section 218.503(1), *Florida Statutes*, that might result in a financial emergency.

Financial Condition Assessment - As required by the *Rules of the Auditor General*, Sections 10.544(1)(i)5.a. and 10.556(7), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information they provided.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

CONCLUSION - We have reviewed information regarding our audit with appropriate County officials and management and have provided them with appropriate documentation as requested. We very much enjoyed the challenges and experiences associated with this audit of the County. We look forward to a long and mutually beneficial relationship with the Board of County Commissioners and other County Officials and employees. We also appreciate the helpful assistance and courtesy afforded us by all County employees.

A handwritten signature in cursive script that reads "Powell & Jones".

POWELL & JONES
Certified Public Accountants
April 7, 2019

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of County Commissioners
Columbia County, Florida

We have examined the Columbia County, Florida's (the County) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2018. We have also examined the Clerk of the Circuit Court's (Clerk's) compliance with Section 61.181, *Florida Statutes*, regarding the Clerk's alimony and child support payments and Sections 28.35 and 28.36; *Florida Statutes* as to the following during the fiscal year ended September 30, 2018:

- a. The budget and performance standards developed and certified by the Florida Clerk of Courts Operations Corporation and Sections 28.35 and 28.36 *Florida Statutes*.

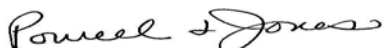
We also examined the County's compliance with Section 365.172(10) and 365.173(2)(d) *Florida Statutes* and requirements specified by the E911 board grant and special disbursement programs. These laws require that E911 fee revenues, interest and E911 grant funding be used to pay for authorized expenditures as specified in the *Statutes*.

Management is responsible for the County's and Clerk's respective compliance with those requirements. Our responsibility is to express an opinion on the County's and the Clerk's compliance based on our examinations.

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

In our opinion, Columbia County, Florida and the Columbia County Clerk of the Circuit Court complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

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



POWELL & JONES
Certified Public Accountants
April 7, 2019