

**JEFFERSON COUNTY, FLORIDA**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**JEFFERSON COUNTY, FLORIDA  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

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**AUDITOR  
Moran & Smith LLP**

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**CONSTITUTIONAL OFFICERS FINANCIAL STATEMENTS**

Clerk of Circuit Court

Sheriff

Tax Collector

Property Appraiser

Supervisor of Elections

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

### **Opinion**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jefferson County, Florida (the "County"), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted audited standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be present to supplement the basic financial statements. Such information, although not a part of the basic financials 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards and state financial assistance as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements and schedule of expenditure of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

# **JEFFERSON COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Jefferson County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2022. It should be read in conjunction with the County's financial statements, which begin on page 10.

## **FINANCIAL HIGHLIGHTS**

- For County Fiscal Year 2021-2022 (CFY 21-22), the millage rate of 7.9500 mills was the same as the prior year. Jefferson County's millage rate is under the potential maximum rate of 10 mills that is levied by many municipalities across the State of Florida.
- The CFY 21-22 aggregate county budget was \$38,985,257.
- In CFY 21-22, The County closed on a road bond (\$3,845,000) which will help pave roads and improve the County's infrastructure.
- During CFY 21-22, Jefferson County began a renovation project at the County Recreational Park. Improvements are designed to increase participation and improve the current facility.
- During CFY 21-22, Trulieve Inc., continued expanding their operations and footprint within the County and now they have approximately 500 local jobs.

## **USING THIS REPORT**

This report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the County as a whole and present a long-term view of the County's finances. These statements reflect the County as a whole and are deemed government-wide financial statements. The fund financial statements start on page 12. These statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statement for Fiduciary Funds provides financial information about activities for which the County acts solely as a trustee or agent for the benefits of others outside of the County.

### **Reporting the County as a Whole**

Our analysis of the County as a whole is detailed later in this discussion. One of the most frequently asked questions about the County's finances is "Is the County, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting system used by most private companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.



## JEFFERSON COUNTY, FLORIDA MANAGEMENT'S DISCUSSION AND ANALYSIS

These two statements report the County's net position and the changes in them. You can think of the County's net position (the difference between assets, deferred outflows of resources and liabilities, deferred inflows of resources) as one way to measure the County's financial health, or its financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base, the condition of the County roads and equipment, and other matters to assess the overall health of the County.

Since the County does not have any business-type activities (utilities, etc.) and no component units to report, the remaining activities of the County are governmental activities. These include all of the County's basic services, including law enforcement, fire protection, building inspection, ambulance services, park and recreation, library services, road and bridge maintenance, etc. Property taxes, gasoline taxes, sales tax, and State grants generally finance most of these activities.

### **Reporting on the County's Most Significant Funds**

The fund financial statements begin provide detailed information about the most significant funds and not the County as a whole. Some funds are required to be established by State law or other governing authority. However, the County Commission may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from State and Federal Agencies). The County has only the general fund, special revenue funds, capital projects fund and debt service fund which are all considered to be governmental funds. There are no proprietary funds maintained by the County.

All of the County's basic services are reported in governmental funds, which focus on how many flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the County's general government operations and the basic services provided. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental *activities* (report in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

### **The County as Trustee**

The County is the trustee, or *fiduciary*, for several sources of funds that belong to other governments, individuals or agencies. All of the County's fiduciary type activities are reported in separate statements. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

**JEFFERSON COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**THE COUNTY AS A WHOLE**

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by \$5,608,006 from the prior year. Restricted net position decreased by \$438,968 from the prior year.

The County's total revenue increased by \$881,226 during the year and total expenses decreased by \$2,602,737.

**Table 1  
Net Assets**

	<b>Governmental Activities</b>		
	<b>9/30/2021</b>	<b>9/30/2022</b>	<b>Variance</b>
Cash and other assets	\$ 13,023,647	\$ 25,464,395	\$ 12,440,748
Capital assets - net	27,429,729	26,577,912	(851,817)
Total assets	40,453,376	52,042,307	11,588,931
Deferred outflows	3,823,961	4,283,619	459,658
Long-term debt outstanding	17,770,785	26,388,492	8,617,707
Other liabilities	6,946,913	14,822,250	7,875,337
Total liabilities	24,717,698	41,210,742	16,493,044
Deferred inflows	8,957,156	(382,688)	(9,339,844)
Net assets:			
Invested in capital assets, net of debt	17,349,006	17,075,357	(273,649)
Restricted	1,414,841	5,285,208	3,870,367
Unrestricted	(8,161,364)	(6,862,693)	1,298,671
Total net assets	\$ 10,602,483	\$ 15,497,873	\$ 4,895,390

**JEFFERSON COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 2  
Changes in Net Position**

	<b>Governmental Activities</b>		
	<b>9/30/2021</b>	<b>9/30/2022</b>	<b>Variance</b>
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 3,605,865	\$ 3,389,737	\$ (216,128)
Federal and state grants	3,723,789	3,708,704	(15,085)
General revenues:			
Property and other taxes	15,508,370	17,378,316	1,869,946
Other general revenues	1,470,738	482,018	(988,720)
Total revenues	24,308,762	24,958,775	881,226
<b>Program expenses:</b>			
General government	5,214,150	4,914,521	(299,629)
Transportation	2,078,032	2,146,142	68,110
Public safety and judiciary	10,578,800	9,204,191	(1,374,609)
Physical environment	2,767,975	2,486,778	(281,197)
Economic development	26,493	308,826	282,333
Culture, recreation and agriculture	1,658,003	710,094	(947,909)
Interest on long-term debt	342,671	292,835	(49,836)
Total program expenses	22,666,124	20,063,387	(2,602,737)
Increase (decrease) in net assets	1,642,638	4,895,389	3,483,963
Net position	8,959,844	10,602,482	1,642,638
Net position, ending	\$ 10,602,482	\$ 15,497,872	\$ 4,895,390

**JEFFERSON COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**THE COUNTY'S FUNDS**

The County's governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$12,253,928, which is an increase of \$6,177,195 over the prior year. Included in this year's total change in fund balance is an increase of \$1,313,103 in the County's general fund balance. In addition, these other changes in fund balances should be noted:

- The transportation fund incurred an increase in fund balance of \$285,308.
- The fine and forfeiture fund incurred a decrease in fund balance of \$194,497.
- The FEMA grant fund had an increase in fund balance of \$481,999.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The County had \$26,577,911 net of depreciation, invested in a broad range of capital assets, including land, buildings, roads, bridges, park facilities and equipment. This is a decrease over the last year of approximately \$807,418, net of depreciation. Table 3 below details the composition of these assets.

**Table 3  
Capital Assets at Year-end  
(Net of Depreciation)**

	<b>Governmental Activities</b>		
	<b>9/30/2021</b>	<b>9/30/2022</b>	<b>Variance</b>
Land	\$ 1,737,456	\$ 1,715,256	\$ 22,200
Right to use assets	-	106,871	106,871
Buildings & improvements	10,906,295	10,802,981	(103,314)
Equipment	18,936,440	20,315,746	1,379,306
Infrastructure	43,912,799	44,614,597	701,798
Construction in progress	-	132,572	132,572
Accumulated depreciation/amortization	(48,063,261)	(51,110,112)	(3,046,851)
<b>Totals</b>	<b>\$ 27,429,729</b>	<b>\$ 26,577,911</b>	<b>\$ (807,418)</b>

Major additions for the year were heavy equipment, building construction and road paving. Infrastructure includes all the County roads and bridges.

**JEFFERSON COUNTY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Debt**

The County had various installment purchase obligations of \$1,418,456, notes payable of \$0 and revenue bonds of \$11,560,000 outstanding at the end of the 2022 fiscal year, an increase in debt of \$2,629,433 as shown in Table 4.

**Table 4  
Outstanding Debt at Year-end**

	<b>Governmental Activities</b>		
	<b>9/30/2021</b>	<b>9/30/2022</b>	<b>Variance</b>
Installment obligations	\$ 1,718,005	\$ 1,418,456	\$ (299,549)
Notes payable	456,018	-	(456,018)
Revenue and gas tax bonds	8,175,000	11,560,000	3,385,000
Totals	\$ 10,349,023	\$ 12,978,456	\$ 2,629,433

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County's elected Commissioners consider many factors when considering the fiscal year 2023 budget to include assessed values, tax rates and charges for services. One of those factors is the economy. Jefferson County is not a fast-growing County compared to other metropolitan areas of the State; however, the County does continue to enjoy growth in its population and offers its citizens a relaxed form of lifestyle when compared to other, more populous surrounding areas.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Clerk of the Circuit Court, County Courthouse, Room 10, Monticello, Florida 32344.

## **BASIC FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 10,755,754
Restricted Cash and Cash Equivalents	2,260,493
Equity in Pooled Investments	295,402
Accounts Receivable	263,744
Prepaid Expenses	-
Due from Funds	10,621,223
Due from Other Governments Units	1,249,235
Inventory	18,544
Capital Assets, Net Depreciation	26,577,912
<b>Total Assets</b>	<b>52,042,307</b>
<b>Deferred Outflows of Resources</b>	
Pension	3,476,849
OPEB	806,770
<b>Total Deferred Outflows of Resources</b>	<b>4,283,619</b>
<b>Liabilities</b>	
Accounts Payable and Accrued Expenses	615,064
Due to Other Funds	10,621,223
Due to Other Agency	17,255
Unearned Revenue	1,897,398
Accrued Interest Payable	59,527
Long-Term Liabilities Due or Payable Within One Year	
Capital Lease Obligations	908,590
Public Improvement Revenue Bonds Payable	585,000
Notes Payable	-
Compensated Absences	118,193
Long-Term Liabilities Due or Payable After One Year	
Capital Lease Obligations	509,866
Public Improvement Revenue Bonds Payable	10,975,000
Notes Payable	-
Compensated Absences	354,580
Other Post-Employment Benefit Obligation	2,055,944
Net Pension Liability	12,493,102
<b>Total Liabilities</b>	<b>41,210,742</b>
<b>Deferred Inflows of Resources</b>	
Pension	(1,310,268)
OPEB	927,580
<b>Total Deferred Inflows of Resources</b>	<b>(382,688)</b>
<b>Net Position</b>	
Invested in Capital Assets, Net of Related Debt	17,075,357
Restricted	5,285,208
Unrestricted (Deficit)	(6,862,693)
<b>Total Net Position</b>	<b>\$ 15,497,873</b>

See accompanying notes to financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for			
		Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental Activities					
General Government	\$ 4,914,521	\$ 1,015,351	\$ 79,693	-	\$ (3,819,475)
Public Safety	8,629,611	1,895,207	1,235,982	1,200,000	(4,298,422)
Physical Environment	2,395,188	478,830	72,832	360,876	(1,482,650)
Transportation	2,146,142	350	93,750	-	(2,052,042)
Economic Development	308,826	-	-	184,464	(124,362)
Human Services	91,590	-	-	-	(91,590)
Court Related	574,580	-	-	-	(574,580)
Culture and Recreation	710,094	-	481,107	-	(228,987)
Interest on Long-Term Debt	292,835	-	-	-	(292,835)
Total Primary Government	20,063,387	3,389,737	1,963,364	1,745,340	(12,964,944)

**General Revenues**

Taxes:	
Property Taxes	7,308,923
Local Option Gas Tax	2,890,147
Sales Tax, Other Taxes and Shared Revenue	7,179,246
Investment Earnings	18,264
Miscellaneous	463,754
<b>Total General Revenues</b>	<b>17,860,334</b>
<b>Change in Net Position</b>	<b>4,895,390</b>
<b>Net Position, Beginning</b>	<b>10,602,483</b>
<b>Net Position, Ending</b>	<b>\$ 15,497,873</b>

See accompanying notes to financial statements.



**JEFFERSON COUNTY, FLORIDA**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

	General Fund	Transportation	Fines & Forfeiture	Grants	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and Cash Equivalents	\$ 9,714,051	\$ 291,867	\$ 517,364	\$ -	\$ 232,472	\$ 10,755,754
Restricted Cash and Cash Equivalents	423,395	-	-	-	1,837,098	2,260,493
Equity in Pooled Investments	147,541	131,852	16,009	-	-	295,402
Accounts Receivable	14,983	-	1,428	-	247,334	263,744
Due from Other Funds	3,423,383	-	253,411	1,879,981	5,064,448	10,621,223
Due from Other Government Units	791,161	114,426	277,592	-	66,057	1,249,235
Inventory	-	18,544	-	-	-	18,544
<b>Total Assets</b>	<b>14,514,513</b>	<b>556,689</b>	<b>1,065,804</b>	<b>1,879,981</b>	<b>7,447,408</b>	<b>25,464,395</b>
<b>Liabilities</b>						
Accounts Payable and Accrued Expenses	402,106	22,114	-	-	190,843	615,064
Interest Payable	-	-	-	-	59,527	59,527
Due to Other Funds	7,406,177	380,734	433,425	-	2,400,887	10,621,223
Due to Other Government Units	-	1,266	-	-	15,989	17,255
Unearned Revenue	-	-	-	1,419,577	477,821	1,897,398
<b>Total Liabilities</b>	<b>7,808,284</b>	<b>404,115</b>	<b>433,425</b>	<b>1,419,577</b>	<b>3,145,067</b>	<b>13,210,467</b>
<b>Fund Balances</b>						
Nonspendable	-	18,544	-	-	-	18,544
Restricted	423,395	-	-	-	4,843,269	5,266,664
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	6,282,835	134,030	632,379	460,405	(540,928)	6,968,720
<b>Total Fund Balances</b>	<b>6,706,230</b>	<b>152,574</b>	<b>632,379</b>	<b>460,405</b>	<b>4,302,341</b>	<b>12,253,928</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,514,514</b>	<b>\$ 556,689</b>	<b>\$1,065,804</b>	<b>\$1,879,981</b>	<b>\$ 7,447,408</b>	<b>\$ 25,464,395</b>

See accompanying notes to financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

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

Total Fund Balances - Governmental Funds	\$ 12,253,928
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	26,577,912
Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources - Pensions	3,476,849
Deferred outflows of resources OPEB	806,770
Deferred inflows of resources - Pensions	1,310,268
Deferred inflows of resources OPEB	(927,580)
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	
Total Long-Term Liabilities - see Note 9	(28,000,275)
Net Position of Governmental Activities	<u>\$ 15,497,873</u>

See accompanying notes to financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

*Page 1 of 2*

	General Fund	Transportation	Fines and Forfeitures
<b>Revenues</b>			
Taxes	\$ 6,758,322	\$ 782,961	\$ -
Licenses and Permits	378,992	-	-
Intergovernmental	4,320,641	1,220,221	-
Grants	1,255,435	-	458,714
Charges for Services	1,383,583	350	18,256
Fines and Forfeitures	-	-	126,424
Investment Earnings	15,495	1,306	135
Other Fees and Miscellaneous Revenues	247,613	35,463	13,025
<b>Total Revenues</b>	<b>14,360,081</b>	<b>2,040,300</b>	<b>616,555</b>
<b>Expenditures</b>			
Current:			
General Government	4,503,768	-	-
Public Health and Safety	5,379,804	-	338,783
Fire Safety	-	-	-
Physical Environment	380,603	-	-
Transportation	-	1,392,751	-
Economic Development	16,016	-	-
Human Services	107,917	-	-
Culture and Recreation	771,656	-	-
Court-Related	110,176	-	-
Capital Outlay	779,151	232,081	148,444
Debt Service:			
Principal	564,410	292,070	-
Interest and Other Charges	5,807	59,070	-
<b>Total Expenditures</b>	<b>12,619,307</b>	<b>1,975,972</b>	<b>487,227</b>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,740,774	64,328	129,328
<b>Other Financing Sources (Uses)</b>			
Transfers In	5,041,704	-	4,979,236
Transfers (Out)	(5,701,695)	(258,825)	(4,681,204)
Sale of Assets	-	-	-
Debt Proceeds	232,320	-	-
Net other Financing Sources (Uses)	(427,671)	(258,825)	298,031
<b>Net Change in Fund Balances</b>	<b>1,313,103</b>	<b>(194,497)</b>	<b>427,360</b>
<b>Fund Balances - Beginning</b>	<b>5,393,126</b>	<b>347,071</b>	<b>205,019</b>
<b>Fund Balances - Ending</b>	<b>\$ 6,706,230</b>	<b>\$ 152,574</b>	<b>\$ 632,379</b>

See accompanying notes to financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

*Page 2 of 2*

	Grants	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$ -	\$ 1,763,231	\$ 9,304,514
Licenses and Permits	-	-	378,992
Intergovernmental	-	1,714,899	7,255,761
Grants	1,279,693	714,861	3,708,704
Charges for Services	-	1,987,548	3,389,737
Fines and Forfeitures	-	312,624	439,048
Investment Earnings	-	1,328	18,264
Other Fees and Miscellaneous Revenues	-	167,656	463,757
<b>Total Revenues</b>	1,279,693	6,662,147	24,958,777
<b>Expenditures</b>			
Current:			
General Government	-	4,360	4,508,128
Public Health and Safety	80,053	2,020,425	7,819,064
Fire Safety	-	946,853	946,853
Physical Environment	-	1,907,115	2,287,717
Transportation	-	16,714	1,409,465
Economic Development	-	311,591	327,606
Human Services	-	-	107,917
Culture and Recreation	-	106,828	878,484
Court-Related	-	527,735	637,911
Capital Outlay	717,641	317,718	2,195,034
Debt Service:			
Principal	-	591,407	1,447,887
Interest and Other Charges	-	227,958	292,835
<b>Total Expenditures</b>	797,694	6,978,703	22,858,902
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	481,999	(316,555)	2,099,875
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	981,284	11,002,224
Transfers (Out)	-	(360,500)	(11,002,224)
Sale of Assets	-	-	-
Debt Proceeds	-	3,845,000	4,077,320
Net other Financing Sources (Uses)	-	4,465,784	4,077,319
<b>Net Change in Fund Balances</b>	481,999	4,149,228	6,177,194
<b>Fund Balances - Beginning</b>	(21,595)	153,113	6,076,734
<b>Fund Balances - Ending</b>	\$ 460,405	\$ 4,302,341	\$ 12,253,928

See accompanying notes to financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES GOVENMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

Net change in fund balances - Total Governmental Funds	\$ 6,177,194
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	2,195,032
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(3,046,851)
Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net position.	1,447,887
The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement	(4,077,320)
Accured other post-employment benefits do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(270,245)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include:	
Pension Expenses	2,479,406
Compensated Absences	(9,714)
<b>Change in Net Position</b>	<b>\$ 4,895,390</b>

See accompanying notes to financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 4,896,711
<b>Total Assets</b>	<b>4,896,711</b>
 <b>Liabilities</b>	
Due to Other Governments	298,375
Due to Other Funds	4,114,618
Due to Others	29,360
<b>Total Liabilities</b>	<b>4,442,353</b>
 <b>Net Position</b>	
Restricted	-
Held for Others	454,358
<b>Total Net Position</b>	<b>\$ 454,358</b>

See accompanying notes to financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<b>Additions</b>	
Funds Held for Others	\$ 54,646,002
Court Costs	5,386
Property Taxes Collected for Other Governments	13,953,714
<b>Total Additions</b>	<b>68,605,102</b>
 <b>Deductions</b>	
Funds Held for Others	54,397,395
Court Costs	5,023
Property Taxes Collected for Other Governments	14,049,096
<b>Total Deductions</b>	<b>68,451,514</b>
 <b>Net Change in Fiduciary Net Position</b>	 <b>153,588</b>
 <b>Net Position - Beginning</b>	 <b>300,770</b>
<b>Net Position - Ending</b>	<b>\$ 454,358</b>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**



**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies**

Jefferson County, Florida, (the “County”) legally exists under Article VIII of the Constitution of the State of Florida as a non-chartered County and operates under an elected County Commission (five members) and provides services to its more than 13,000 residents in many areas, including law enforcement, community enrichment and development, culture and recreation, and human services.

The Clerk of the Circuit Court, Supervisor of Elections, Tax Collector, Property Appraiser, and Sheriff constitute the other elected officials of the County. These 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 accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body of governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statement and Interpretations), constitutes GAAP for governmental units along with the American Institute of Certified Public Accountants publication entitled *Audits of State and Local Governmental Units*, and pronouncements of the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the County are described below.

**Reporting Entity**

The concept underlying the definition of the reporting entity is that elected officers are accountable to their constituents for their actions. The reporting entity’s financial statements should allow users to distinguish between the primary government (the “County”) and its component units. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the “County”), (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) 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.

**Government-Wide and Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Jefferson County, Florida as a whole excluding fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Individual funds are not displayed but the statement distinguished 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.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**Fund Financial Statements**

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. Reconciliations are provided that converts the results of governmental fund accounting to the government-wide presentations. The County has presented the following major governmental funds:

- **General Fund-** The General Fund is the main operating fund of the County. This fund is used to account for all financial resources not accounted for in other fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.
- **Transportation Fund-** The County Transportation Trust Fund is a special revenue fund used to accounts for gasoline and fuel taxes that are restricted for special purposes.
- **Fines and Forfeitures Fund –** The Fines and Forfeitures Fund accounts a portion of the County's property taxes and the fines and fees collected and remitted by the Clerk of the Courts. In addition, this fund accounts for grants and other funds collected for the purpose of law enforcement and court costs.
- **Capital Projects Fund-** The Capital Projects Fund is a special revenue fund that accounts for the expenditures used for the construction and maintenance of certain road projects in the County.

The County also reports the following fund type:

- **Fiduciary Fund –** The fiduciary funds are used to account for assets help by the County as an agent for individuals, private organizations, and other governments. Fiduciary funds are custodial in nature and do not involve measurement of changes in financial position.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for recognition of all Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is made.

The revenues susceptible to accrual are licenses, charges for services, intergovernmental revenues and interest income. Gasoline and sales taxes collected and held by the state at year end on behalf of the County are also recognized as revenue. All other governmental fund revenues are recognized when received.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed.

When expenditures are incurred for which committed, assigned or unassigned amounts could be used, it is the County's policy to use them in that order.

**Budgets and Budgetary Accounting**

Florida Statutes establishes the fiscal year as the twelve-month period beginning October 1. The various departments of the County and the Constitutional Officers submit to the Clerk of the Circuit Court a budget of estimated expenditures for the ensuing fiscal year after which the Clerk subsequently submits a budget of estimated expenditures and revenues to the Board of County Commissioners.

Upon receipt of the budget estimates, the Board of County Commissioners holds public hearings on the proposed budget. Information about the proposed budget is then published in the Monticello News. The budget is legally enacted through passage of a Resolution by the Board of County Commissioners. The Board of County Commissioners is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be due to unanticipated revenues and be approved by the Board of County Commissioners and an amendment to the originally adopted budget. Budgeted amounts are as originally adopted or as amended by the Board of County Commissioners. Individual amendments were not material in relation to the original appropriations which were adopted other than those for unanticipated revenues.

The County operates under a budgetary system wherein the Board of County Commissioners adopts a budget each year for the overall financial operations of the County, to include the operations of each of the other elected officials. Any funds remaining in the various general funds of each elected official must revert to the Board of County Commissioners immediately after the end of each fiscal year. The primary sources of revenues of the County are ad valorem taxes, racing tax, state revenues sharing proceeds, federal grants, gasoline taxes, sales taxes and special assessments.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

The budgetary information presented for the general fund and any major special revenue funds is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be re-appropriated in the subsequent year.

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Short-term investments also include amounts placed with the State Board of Administration for participation in the Local Government Surplus Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Cash of some funds is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity during the year. An individual fund's pooled cash and cash investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. Negative balances incurred in pooled cash at the year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

**Investments**

The County follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, in reporting on investments owed. Generally, this statement requires various investments be reported at fair value, including debt securities and open-ended mutual funds.

**Interfund Balances**

Activities 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." All residual balances outstanding were related to governmental activities and are not reported in the government-wide financial statements.

**Restricted Assets**

Certain net position of the County is classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors, or law 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.

**Capital Assets**

The County's capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right-of-ways, storm-water system, sidewalks, and similar items), are reported in the capital assets accounts of the County. Property and equipment with initial, individual costs that exceed \$1,000 and an estimated useful life in excess of one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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 expensed as incurred. Capital assets purchased by the Clerk of Circuit Court, Property Appraiser, Supervisor of Election, and Tax Collector are accounted for within the Board of County Commissioner's capital assets. The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the Board's governmental activities capital assets in the statement of net position.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10-40
Machinery and equipment	3-10
Road and bridge infrastructure	20-40

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

**Due to Others**

This account is used to account for assets held by the County in a trustee capacity for other governmental agencies or individuals.

**Unearned Revenues**

The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as unearned revenues.

**Accumulated Compensated Absences**

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

The long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

**Long-Term Debt**

In the government-wide financial statements, outstanding debts are reported as liabilities. The governmental fund financial statements recognize the proceeds of debt as other financial sources of the current period. Issuance costs are reported as expenditures.

**Governmental Fund Balances**

The County adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54). This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 12.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Net Position**

For the year ending September 30, 2022, the County reports net position as restricted or unrestricted. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, law and regulations of other governments or imposed by law through constitutional provisions or enabled legislation. Unrestricted net position is comprised of all other balances, including committed, assigned and unassigned.

**Encumbrances**

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The County does not record encumbrances outstanding at year-end.

**Management Estimates and Assumptions**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

A deferred outflow of resources represents consumption of net assets that applies to a future period and not be recognized as an outflow of resources (expense) until that future time.

**Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that future time.

**Subsequent Events**

The County has evaluated subsequent events through the date of the Independent Auditors' Report which is the date the financial were available to be issued.

**Implementation of New Accounting Standard**

Effective October 1, 2021 the City adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards (GASB) Statement No. 87, *Leases* (GASB No. 87), which requires lessees recognize certain lease assets and liabilities for leases that previously were classified as operating leases based on the foundational principle that leases are financings of the right-to use an underlying asset. Similarly, GASB No. 87, also requires lessors to recognize certain lease assets and deferred inflows of resources for leases meeting the same recognition principles.

The implementation of this new standard required the initial recognition in the governmental activities of a right to use asset of \$106,871 and a lease liability of \$86,908 as of October 1, 2021. The adoption of GASB No. 87 had no effect net position/fund balance.



**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 2 – Property Taxes**

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2022 millage rate assessed by the County was 7.95 mills.

The tax levy of the County is established by the Board prior to October 1 of each year and the Property Appraiser incorporates the County mileages into the total tax levy, which includes the various municipalities, the County school board, and other taxing authorities.

All property is assessed according to its fair market value January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are without discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1, following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer.

Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are held by the County.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five-year statute of limitations.

**Note 3 - Deposits and Investments**

At year end, the carrying amount of the County's deposits was \$13,016,246, of which \$2,260,493 was restricted; and the bank balance was \$16,142,879. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses on excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the County to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the County to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 3 - Deposits and Investments (Continued)**

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2022, the market value and the carrying value of these funds was \$295,402. The funds are recorded as equity in pooled investments on the balance sheet at September 30, 2022 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at [www.sbafla.com/prime](http://www.sbafla.com/prime).

The State of Florida's Local Government Investment Pool is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administration Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the Florida PRIME Fund. As a pool participant, the County owns a share of the respective pool, not the underlying securities.

The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in PRIME is at amortized cost.

**Credit Risk**

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as credit risk because the County investments are not evidenced by specific, identifiable investment securities.

As of September 30, 2022, the County's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAm.

**Interest Rate Risk**

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2022, is 60 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2022 is 69 days.

**Custodial Credit Risk**

At September 30, 2022, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

**Concentration of Credit Risk**

At September 30, 2022, the County did not hold any investments that were considered to be a concentration of credit risk.

**Note 4- Accounts Receivable**

At September 30, 2022, the County's accounts receivable balance was \$263,744.



**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 5 – Inventory of Supplies**

Inventories of fuel are recorded under the purchase's method at cost as an expenditure in the County Transportation Trust Fund at the time of purchase. The ending monthly inventory value is recorded as an asset with a related reserved fund balance which indicates that inventory does not constitute "available spendable resources" even though it is a component of net current assets. Cost is determined using the first in, first out method.

**Note 6 – Interfund Transactions and Balances**

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and to (b) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ending September 30, 2022, consisted of the following:

TRANSFER TO:	TRANSFER FROM:				
	General Fund	Fines and Forfeitures Fund	Transportation Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 4,681,204	\$ -	\$ 360,500	\$ 5,041,704
Fines and Forfeitures Fund	4,979,236	-	-	-	4,979,236
Transportation Fund	-	-	-	-	-
Nonmajor Funds	722,459	-	258,825	-	981,284
<b>Total</b>	<b>\$ 5,701,695</b>	<b>\$ 4,681,204</b>	<b>\$ 258,825</b>	<b>\$ 360,500</b>	<b>\$ 11,002,224</b>

The purpose of individual fund interfund receivable and payable balances at September 30, 2022 was for pooling of cash balances and loans to other funds. None of the balances are expected to be repaid within the next year.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 6 – Interfund Transactions and Balances (Concluded)**

Interfund receivables/payables for the year ended September 30, 2022, consisted of the following:

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	\$ 3,423,383	\$ 7,406,177
Fines and Forfeitures Fund	253,411	433,425
Transportation Fund	-	380,734
Grants	1,879,981	-
Nonmajor governmental funds:		
SHIP	24,634	-
Grants	256,856	24,634
Payroll	-	22,461
Fire	147,000	147,207
Landfill	-	663,240
E911	360,000	461,427
Literacy Alliance Fund	-	7,084
EMS	146,000	230,452
Tourist Tax	88,960	-
Capital Projects	4,040,998	-
Debt (Old)	-	20,127
Debt (New)	-	824,254
Total	\$ 10,621,223	\$ 10,621,223

The general fund has amounts due to and from constitutional officers, which represent the return of excess monies due at the end of the fiscal year, from either budget officers or fee officers. All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

**Note 7 – Due From Other Governments**

Due from other governments consists of funds earned as of September 30, 2022, but not yet received by the County. The majority of these amounts were received in October and November 2022. For the year ended September 30, 2022 the balance in due from other governments was \$1,249,235.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 8 – Capital Assets**

Capital asset activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land and improvements	\$ 1,737,456	\$ -	\$ (22,200)	\$ 1,715,256
Construction work in progress	-	132,572	-	132,572
Total capital assets not being depreciated	1,737,456	132,572	(22,200)	1,847,828
Capital assets being depreciated:				
Buildings and improvements	10,906,295	317,718	(421,032)	10,802,981
Equipment	15,615,012	1,023,052	(7,403)	16,630,661
Right to use asset	-	106,871		106,871
Equipment - Sheriff	3,321,427	363,658	-	3,685,085
Roads	43,912,799	701,798	-	44,614,597
Total capital assets being depreciated	73,755,533	2,513,097	(428,435)	75,840,195
Less: total accumulated depreciation	48,063,261	3,046,851	-	51,110,112
Total capital assets being depreciated, net	25,692,272	(533,754)	(428,435)	24,730,083
<b>Governmental activities capital assets, net</b>	<b>\$ 27,429,728</b>	<b>\$ (401,182)</b>	<b>\$ (450,635)</b>	<b>\$ 26,577,911</b>

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 892,183
Public safety	854,807
Physical environment	359,591
Transportation	934,005
Culture and recreation	6,265
<b>Total depreciation expense-governmental activities</b>	<b>\$ 3,046,851</b>

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 9 - Long-Term Debt**

Long-term debt activity for the year ended September 30, 2022, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Revenue and Road Bonds					
Series 2012	\$ 3,015,000	\$ -	\$ (220,000)	\$ 2,795,000	\$ 225,000
Series 2018	5,160,000	-	(240,000)	4,920,000	245,000
Series 2022	-	3,845,000	-	3,845,000	115,000
Notes Payable					
The First	1,721	-	(1,721)	-	-
2016 FMB	454,297	-	(454,297)	-	-
Lease Payables					
Right to Use Lease	-	106,871	(19,963)	86,908	20,085
Volvo Grader	51,696	-	(51,696)	-	-
Motor Grader #87	171,735	-	(10,867)	160,868	160,868
Motor Grader #90	171,735	-	(10,867)	160,868	160,868
Motor Grader #94	171,735	-	(10,867)	160,868	160,868
2 Mack GR 64 Roll Off	126,523	-	(41,354)	85,169	40,920
Hino Grapple	77,353	-	(23,148)	54,205	24,301
2 Mack GR 64B Dump Trucks	232,518	-	(75,226)	157,292	77,483
524 KBT Wheel Loader	29,077	-	(14,302)	14,775	14,775
Garbage Truck	105,189	-	(36,269)	68,920	68,920
644K 4WD Loader	165,935	-	(17,515)	148,420	17,994
2 Mack Dump Trucks/Day Cab	296,143	-	(95,509)	200,634	98,680
420 Backhoe	100,391	-	(34,136)	66,255	37,176
2 Dodge Durangos	-	83,118	(29,844)	53,274	25,620
2 Trucks Ram/Silverado	-	42,331	(42,331)	-	-
Sheriff Charger	11,197	-	(11,197)	-	-
Property Appraiser Vehicle	6,778	-	(6,778)	-	-
Compensated Absences	463,059	20,706	(10,992)	472,773	118,193
	<u>\$ 10,812,082</u>	<u>\$ 4,098,026</u>	<u>\$ (1,458,879)</u>	<u>\$ 13,451,229</u>	<u>\$ 1,611,751</u>

**Jefferson County, Florida Gas Tax Revenue Bonds, Series 2022**

On April 26, 2022, the Jefferson County Board of County Commissioners adopted Resolution No. 22-042622-01 authorizing the sale of \$3,845,000 aggregate principal amount of Gas Tax Revenue Bonds, Series 2022. The Bonds are special obligation of the County and are payable solely from and secured by a prior lien upon and pledge of a portion of the proceeds of the constitutional fuel tax, and all moneys, including investment earnings in the funds and accounts established under the resolution (other than moneys on deposit in the Rebate Fund). The Series 2022 Bonds are issued to provide sufficient funds to finance the cost of the acquisition and construction of certain road improvements in the County. The Series 2022 Bonds or portions thereof maturing June 1, 2042, and thereafter will be subject to optional redemption by the County in whole or in part on June 1, 2032. The term bonds maturing on June 1, 2042, are to be retired from amounts credited to the Bond Amortization Account.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 9 - Long-Term Debt (Continued)**

The County entered into a memorandum of understanding with the City of Monticello ( the City) dated July 15, 2021, whereby the City agreed to pay the County \$30,000 each year for 20 years in return for a portion of the proceeds.

The Par Amount of the Series 2022 Bonds was \$3,845,000 plus an original issue premium of \$31,601. Bond Payments including interest range from \$282,000 annually to \$286,000 annually.

**Jefferson County, Florida 2018 Road Bond**

The County issued the 2018 Road Bond for \$5,850,000. There was an original issue discount of \$5,536 for net proceeds of \$5,844,464. The Bonds are dated January 2018, pay interest 1.70% to 3.45% payable annually on July 1, 2018, and annually thereafter on January 1 and July 1 of each year (an interest payment date) and will mature on January 1 in the years and amounts varying from \$235,000 in 2019 up to \$385,000 in 2038. The 2018 Bonds are being issued under the authority of Chapter 125, Part 1, Florida Statutes, as amended, Sections 206.41, and 336.024, Florida Statutes, as amended and other applicable provisions of law and under and pursuant to Resolution No. 2017-092617-01, adopted by the Board of County Commissioners of the County on September 26, 2017. The Bonds are special obligations of the County and are payable solely from and secured by a prior lien upon and pledge of the proceeds from the five-cent optional tax on motor fuel as authorized by Section 336.025(1)(b) Florida Statutes.

The Bonds were issued to provide sufficient funding to finance the cost of acquisition and construction of certain road improvements within the County.

**Jefferson County, Florida Gas Tax Revenue Bonds, Series 2012**

The County issued its \$4,615,000 Jefferson County, Florida, Gas Tax Revenue Bonds, Series 2012. The Bonds are dated November 15, 2012, and pays interest at 2% to 2.75% semi-annually on June 1 and December 1 of each year. Principal is payable annually on December 1, 2013, and each December 1 thereafter in amounts varying from \$185,000 in 2013 up to \$265,000 in 2029. The Bonds were issued to provide sufficient funds to finance the cost of the acquisition and construction of certain road improvements in the County. The 2012 Bonds are being issued under the authority of Chapter 125, Part 1, Florida Statutes, as amended, Sections 206.41, and 336.024, Florida Statutes, as amended and other applicable provisions of law and under and pursuant to Resolution No. 2012-11-15-12-02, adopted by the Board of County

Commissioners of the County on November 15, 2012. The Bonds are special obligations of the County and are payable solely from and secured by a prior lien and pledge of (i) a portion of the proceeds of the constitutional fuel tax collected by the State to the issuer and (ii) all monies, including investment earnings thereof, in the funds and accounts established under the Resolution.

**Equipment Installment Purchases.**

Items of equipment were acquired in prior years and current year under various installment purchase obligations bearing interest at 2.14% to 5.66% per annum. These obligations require monthly and annual installments of various amounts and expire at various dates through 2026.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 9 - Long-Term Debt (Concluded)**

The County borrowed funds in the amount of \$241,500 to purchase equipment. The note payable includes interest at 2.74%, and includes yearly payments of \$38,499, including interest, through February 2023. The note is collateralized by equipment.

**Notes Payable**

The County borrowed funds in the amount of \$604,500 to construct a building in the industrial park. The note payable includes interest at 3.92%, and included monthly payments of \$4,447, including interest. The property was sold during the year, and the purchaser paid off the balance of the loan.

The County borrowed funds in the amount of \$40,191, with an interest rate of 4.75%, to purchase an ambulance. The note payable includes monthly payments of \$1,760. The note was paid off in December of 2021 and is collateralized by equipment.

Payments on revenue bonds, leases payable and notes payable that pertain to the County's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

Debt service requirements on long-term debt at September 30, 2022 are as follows:

FISCAL YEAR ENDING	GOVERNMENTAL ACTIVITIES			
	REVENUE BONDS		CAPITAL LEASE OBLIGATIONS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
SEPTEMBER 30,				
2023	\$ 585,000	\$ 391,817	\$ 908,590	\$ 59,024
2024	610,000	369,265	347,632	13,302
2025	630,000	350,435	135,613	3,060
2026	645,000	330,598	6,536	-
2027	670,000	309,888	-	-
Thereafter	8,420,000	2,028,785	-	-
Total	\$ 11,560,000	\$ 3,780,788	\$ 1,398,371	\$ 75,386

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Employee Retirement Plan**

**Defined Benefit Plans**

**Plan Description**

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability and death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000 or by calling (844) 377-1888.

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multi-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retirees' Health Insurance Subsidy (HIS) Program is a cost-sharing, multi-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Employee Retirement Plan (Continued)**

**Benefits Provided**

Benefits under FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30, and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

**Contributions**

The contribution requirements of plan members and the County are established and may be amended by the Florida Legislature. Employees are required to contribute 3% of their salary to FRS. The County's contribution rates for the year ended September 30, 2022, were as follows:

	Year Ended June 30, 2022		Year Ended June 30, 2023	
	FRS	HIS	FRS	HIS
Regular Class	9.10%	1.66%	9.10%	1.66%
Elected County Officers	49.70%	1.66%	55.28%	1.66%
Senior Management	27.29%	1.66%	29.85%	1.66%
Special Risk Employee Class	24.17%	1.66%	24.17%	1.66%
DROP Plan Participants	16.62%	1.66%	16.93%	1.66%

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

(2) The rates include the normal cost and unfunded actuarial liability contributions, but to not include the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools.

The County's contributions for the year ended September 30, 2022, were \$1,184,377 to FRS and \$123,731 to HIS.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2022, the County reported a liability for its proportionate shares of the net pension liabilities. The net pension liabilities were measured as of June 30, 2022, and the total pension liabilities used to calculate the net pension liability were determined by actuarial valuation date July 1, 2021. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.



**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Employee Retirement Plan (Continued)**

	FRS	HIS
Net Pension Liability at June 30, 2022	\$ 10,327,269	\$ 2,165,832
Proportion at:		
Current Measurement Date	0.0277555%	0.0204486%
Prior Measurement Date	0.0282260%	0.0200276%
Pension Expense (Benefit)	\$ 1,319,162	\$ 137,607

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 490,486	\$ -
Changes of assumptions	1,271,846	-
Net difference between projected and actual earnings on Pension Plan Investments	681,908	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	342,855	(920,283)
Employer contributions subsequent to the measurement date	316,009	-
Total	<u>\$ 3,103,104</u>	<u>\$(920,283)</u>

	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 65,738	\$ (9,530)
Changes of assumptions	124,147	(335,053)
Net difference between projected and actual earnings on Pension Plan Investments	3,136	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	149,637	(45,404)
Employer contributions subsequent to the measurement date	31,086	-
Total	<u>\$ 373,744</u>	<u>\$(389,987)</u>

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Employee Retirement Plan (Continued)**

Deferred outflows or resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2022. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement period ending June 30,	FRS	HIS
2023	\$ 458,975	\$ (9,686)
2024	82,704	7,432
2025	(366,136)	13,480
2026	1,610,131	(4,407)
2027	81,137	(36,191)
Thereafter	-	(17,957)
Total	\$ 1,866,811	\$ (47,329)

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans, measured as of June 30, 2022, was determined by an actuarial valuation dated July 1, 2018, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary Increase	3.25% Average, Including Inflation	3.25%
Investment Rate of Return	6.70%	N/A
Discount Rate	6.70%	3.54%
Municipal Bond	N/A	3.54%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions used in the valuation date June 30, 2022, were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2022:

- FRS: The long-term expected rate of return decreased from 6.80% to 6.70% and the active member mortality assumption was updated.
- HIS: The municipal rate used to determine total pension liability was increased from 2.16% to 3.54%.
- The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For FRS, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Employee Retirement Plan (Continued)**

Asset Class	Target Allocation	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
	<u>100%</u>			
Assumed Inflation-Mean			2.4%	1.3%

**Discount Rate**

The discount rate used to measure the total pension liability for FRS was 6.70%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because HIS is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the County's proportionate share of the net pension liability if the discount rate was 1% higher or 1% lower than the current discount rate.

	FRS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	\$695,329	\$402,056	\$156,846
	HIS		
	Current		
	1% Decrease	Discount Rate	1% Increase
Employer's proportionate share of the net pension liability	\$149,695	\$122,978	\$102,804

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 10 – Employee Retirement Plan (Concluded)**

**Pension Plans' Fiduciary Net Position**

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

**Defined Contribution Plan**

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan (FRS Investment Plan), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class.

**Note 11 - Grants**

The County participates in a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for, or including the year ended September 30, 2022, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

**Note 12 – Fund Equity**

Fund balances are classified based upon a hierarchy of the County's ability to control spending of these fund balances and can be classified in the following categories:

- **Non-spendable** – Amounts that cannot be spent because they are either not spendable in form or they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts that can be spent only for purposes stipulated by external parties, constitution provision or enabling legislation.
- **Committed** – Amounts constrained for a specific purpose by the Board of County Commissioners.
- **Assigned** – For the general fund, amounts constrained for the intent to be used for a specific purpose by the Board of County Commissioners. For all governmental funds other than the general fund, any positive remaining amounts not classified as non-spendable, restricted or committed.
- **Unassigned** – All amounts not included in other spendable classifications.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 12 – Fund Equity (Continued)**

The County had \$18,544 in non-spendable fund balance which represents the inventory balance at September 30, 2022. There was \$5,266,664 in restricted fund balance, \$18,544 in non-spendable and \$6,968,720 in unrestricted fund balance to a total fund balance of \$12,253,928 at September 30, 2022.

**RESTRICTED FUND BALANCE:**

FUND	PURPOSE	AMOUNT	TOTAL
General fund:	Funding for:		
	Supervisor of Elections Grant	215	
	Medical Impact Fee	107,123	
	Tourist Development Tax	109,565	
	Fire Impact Fees	110,702	
	Mosquito Control	95,790	
	Total general fund		423,395
Special revenue funds:	Funding for:		
	Transportation	-	
	Grants	380,459	
	Fire assesment	274	
	Sheriff special revenue	173,206	
	Record modernization	44,807	
	Capital projects	3,886,181	
	Debt (old)	259,680	
	Debt (new)	98,662	
	Total special revenue funds		4,843,269
Total restricted fund balance			\$ 5,266,664

**Note 13 – Litigation and Contingent Liabilities**

The County is involved in various litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the County's financial position.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 14 - Landfill Closure and Post Closure Care Costs**

The County was required by State law to close its landfill which has no further capacity as of September 30, 1994. The post closure cost of maintenance, monitoring and testing are estimated to be approximately \$29,000 per year for the next five years. The monitoring cost is based upon information provided by environmental engineers and consultants under contract with the County. The County has met the long-term requirements and as of September 30, 2021, are no longer required to maintain the restricted escrow account of \$140,298. They are required for the next five years to pay the monitoring costs of \$29,000.

**Note 15 – Post Employment Benefits Other Than Pension**

**Plan Description**

The County has implemented Governmental Accounting Standards Board Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for retiree health insurance.

The Jefferson County Retiree Healthcare Plan (Plan) is a single employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees and their eligible dependents. Pursuant to the provisions of Section 112.0801, the Florida Statutes, employees who retire from the County and eligible dependents, may continue to participate in the group health insurance plan. Retirees and their eligible dependents shall be offered the same health insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the County if the criteria have been met to qualify for retirement benefits. See Note 10.

**Benefits Provided**

The County provides post-employment healthcare to its retirees. Health benefits are provided through the County's healthcare provider. The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions.

**Membership**

At September 30, 2022, there were no terminated employees entitled to benefits by not yet receiving them. The membership of the Plan consisted of:

Active employees	140
Retirees and beneficiaries currently receiving benefits	15
Total membership	155
Participating employers	1

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 15 – Post Employment Benefits Other Than Pension (Continued)**

**Contributions and Funding Policy**

A qualifying trust or agency fund has not been authorized by the County. The County negotiates the premium rates with Capital Health Plan. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2022 was \$188,298. The chart below shows the cost of the monthly retiree premiums as of the valuation date:

<b>Coverage</b>	<b>Capital Health Plan</b>
Retiree	\$ 756.58
Retiree & Spouse	\$ 1,451.78
Retiree & Children	\$ 1,234.30
Family	\$ 1,885.26

**OPEB Liability and Expense**

At September 30, 2022, the County reported a liability of \$2,055,944 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2020. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date.

For the year ended September 30, 2022, the County recognized OPEB expense of \$270,247. At September 30, 2022, the County reported deferred outflows of resources of \$806,770 and deferred inflows of resources of \$927,580 related to OPEB.

**Actuarial Methods and Assumptions**

Actuarial valuation date: October 1, 2020

**Actuarial assumptions:**

- Discount rate: 4.77% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.
- Salary increase: 3.00% per annum
- Cost-of-living increases: Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
- Healthcare cost trend rates: Increases in healthcare costs are assumed to be 8.00% for the 2020/21 fiscal year graded down by 0.50% per year to 5.00% for the 2026/27 and later fiscal years.

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 15 – Post Employment Benefits Other Than Pension (Continued)**

- Implied health subsidy: Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$550.00 for the retiree and \$525.00 for the retiree's spouse has been assumed at age 62 for the 2020/21 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates.
- Mortality basis: Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020
- Retirement: For public safety employees, retirement is assumed to occur at the earlier of age 52 with 25 years of service or at age 55 with 10 years of service; for general employees, retirement is assumed to occur at the earlier of any age with 30 years of service or age 62 with six years of service.
- Other decrements: Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for firefighters and police officers and Class 1 rate were used for all other employees).
- Health coverage election: 50% of eligible employees are assumed to elect medical coverage for themselves upon retirement or disability; of those electing coverage 80% or males and 60% or females are assumed to elect coverage for their spouses; coverage is assumed to end upon the attainment of age 65.
- Spouses and dependents: Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.
- COBRA: Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
- Changes: Since the prior measurement date, the discount rate was increased from 2.43% per annum to 4.77% per annum.

**CHANGES IN NET PENSION LIABILITY**

	Increase and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2021	\$ 2,369,864
Changes for the Year:	
Service Cost	188,298
Expected Interest Growth	120,180
Demographic Experience	-
Changes in Assumptions	(544,159)
Changes in Benefit Terms	-
Contributions - Employer	-
Benefit Payments and refunds	(78,239)
Administrative Expenses	-
Net Changes	(313,920)
Reporting Period Ending September 30, 2022	\$ 2,055,944



**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 15 – Post Employment Benefits Other Than Pension (Continued)**

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* - The following presents the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (3.77%) or 1 percent point higher (5.77%) than the current discount rate:

	1% Decrease (3.77%)	Current Discount Rate	1% Increase (5.77%)
Net OPEB Liability	\$ 2,282,536	\$ 2,055,944	\$ 1,857,506

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*- The following presents the County's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (4.00%) or 1 percent point higher (6.00%) than the current healthcare cost trend rates:

	1% Decrease (7.00% Decreasing to 4.00%)	Current Healthcare Cost Trend Rate (8.00% decreasing to 5.00%)	1% Increase (9.00% decreasing to 6.00%)
Net OPEB Liability	\$ 1,773,406	\$ 2,055,944	\$ 2,398,281

On September 30, 2022, the city reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2021	\$ 982,842	\$ 519,485
Change due to:		
Amortization Payments	(176,072)	(136,064)
Demographic Gain/loss	-	-
Assumption Changes	-	544,159
Total Changes	(176,072)	408,095
Balance as of September 30, 2022	\$ 806,770	\$ 927,580

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 15 – Post Employment Benefits Other Than Pension (Concluded)**

OPEB EXPENSE FOR THE 2021-22 FISCAL YEAR

Service Cost	\$ 188,298
Other Recognized Changes in Net Pension Liability:	
Expected Interest Growth	120,180
Investment Gain/loss	-
Demographic Gain/loss	(49,229)
Employee Contributions	-
Benefit Payments and Refunds	(78,239)
Administrative Expenses	-
Changes in Benefit Terms	-
Assumption Changes	89,237
OPEB Expense	<u>\$ 270,247</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2023	\$(160,818)
2024	\$(248,935)
2025	\$(176,072)
2026	\$(176,072)
2027	\$(176,072)

**Note 16 – Operating Lease**

The County currently leases office space from Jefferson County, Florida School Board for \$24,000 per year. The County also has various equipment leases. The County entered into operating leases for several items of heavy equipment. The future minimum payments due from the County are as follow, for the years ended September 30:

2024	53,871
2025	24,000
Total	<u>\$ 77,871</u>

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 17 – Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and/or the public; or damage to property of others. The County purchases commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees Bond
- Workers' Compensation and Employer's Liability
- General and Automobile Liability
- Comprehensive General Liability
- Accidental Death and Dismemberment
- Public Officials' Liability
- Inmate Major Medical

The Sheriff participates in the Florida Sheriff's Self-Insurance Fund program, which is a public entity risk pool that permits the Sheriff to cover risk relating to professional liability, public officials' liability, public employees' blanket bond, and money and securities coverage. The Sheriff purchases commercial insurance to cover other risks and losses.

**Note 18 – Commitments and Contingencies**

**Contractual Commitments**

At September 30, 2022, the Board had contractual commitments for construction projects in excess of amounts recognized in the financial statements.

**Note 19 – Subsequent Events**

Subsequent to year end, the County has signed agreements with various agencies for grant funding for various projects.

Subsequent to year end, the County also approved multiple construction contracts related to road construction projects to be completed within the 2022 fiscal year.

**Note 20 – Deficit Fund Balances**

The Board had eight special revenue funds with deficit fund balances as of September 30, 2022, as follows:

FUNDS	FUND BALANCE
Landfill	\$ (681,854)
E-911	\$ (87,245)

They will be funded by future revenues in the next fiscal year.

## **COMBINING FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

Page 1 of 2

	SHIP Trust Fund	Grant Fund	Payroll	Assessment	Special Revenue				Literacy Alliance	EMS
					Fire	Landfill	E-911 Fund			
<b>Assets</b>										
Cash and Cash Equivalents	\$ -	\$ -	\$ 22,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,745	\$ -
Restricted Cash and Cash Equivalents	271,553	148,237	-	-	-	-	-	-	-	-
Accounts Receivable (Net)	-	-	-	-	-	-	-	-	-	216,107
Due from Other Funds	24,634	256,856	-	147,000	-	-	360,000	-	-	146,000
Due from Other Government Units	-	-	-	685	14,221	14,182	-	-	-	685
<b>Total Assets</b>	<b>296,187</b>	<b>405,093</b>	<b>22,461</b>	<b>147,685</b>	<b>14,221</b>	<b>14,221</b>	<b>374,182</b>	<b>188,745</b>	<b>188,745</b>	<b>362,792</b>
<b>Liabilities</b>										
Accounts Payable and Accrued Expenses	-	-	-	204	32,835	-	-	-	-	-
Interest Payable	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	24,634	22,461	147,207	663,240	461,427	7,084	230,452	-	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	296,161	-	-	-	-	-	-	181,660	-	-
<b>Total Liabilities</b>	<b>296,161</b>	<b>24,634</b>	<b>22,461</b>	<b>147,411</b>	<b>696,075</b>	<b>461,427</b>	<b>188,744</b>	<b>230,452</b>	<b>188,744</b>	<b>230,452</b>
<b>Fund Balances</b>										
Restricted	-	380,459	-	274	-	-	-	-	-	-
Unassigned	26	-	-	-	(681,854)	(87,245)	-	-	-	132,340
<b>Total Fund Balances</b>	<b>26</b>	<b>380,459</b>	<b>-</b>	<b>274</b>	<b>(681,854)</b>	<b>(87,245)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,340</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 296,187</b>	<b>\$ 405,093</b>	<b>\$ 22,461</b>	<b>\$ 147,685</b>	<b>\$ 14,221</b>	<b>\$ 374,182</b>	<b>\$ 188,744</b>	<b>\$ 362,792</b>	<b>\$ 188,744</b>	<b>\$ 362,792</b>

**JEFFERSON COUNTY, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

Page 2 of 2

	Special Revenue				Debt Service			Total	
	Tourist Tax	Sheriff	Court	Record Modernization	Capital Projects	Debt (Old)	Debt (New)	Non-Major Governmental Fund	
<b>Assets</b>									
Cash and Cash Equivalents	\$ -	\$ -	\$ 13,998	\$ 7,268	\$ -	\$ -	\$ -	\$ -	232,472
Restricted Cash and Cash Equivalents	-	173,206	-	33,228	-	316,715	894,159	-	1,837,098
Accounts Receivable (Net)	-	-	26,916	4,311	-	-	-	-	247,334
Due from Other Funds	88,960	-	-	-	4,040,998	-	-	-	5,064,448
Due from Other Government Units	6,846	-	680	-	-	-	28,758	-	66,057
<b>Total Assets</b>	<b>95,805</b>	<b>173,206</b>	<b>41,594</b>	<b>44,807</b>	<b>4,040,998</b>	<b>316,715</b>	<b>922,917</b>		<b>7,447,408</b>
<b>Liabilities</b>									
Accounts Payable and Accrued Expenses	-	-	2,986	-	154,818	-	-	-	190,843
Interest Payable	-	-	22,619	-	-	36,908	-	-	59,527
Due to Other Funds	-	-	-	-	-	20,127	824,254	-	2,400,887
Due to Other Governmental Units	-	-	15,989	-	-	-	-	-	15,989
Unearned Revenue	-	-	-	-	-	-	-	-	477,821
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>41,594</b>	<b>-</b>	<b>154,818</b>	<b>57,035</b>	<b>824,254</b>		<b>3,145,067</b>
<b>Fund Balances</b>									
Restricted	-	173,206	-	44,807	3,886,181	259,680	98,662	-	4,843,269
Unassigned	95,805	-	-	-	-	-	-	-	(540,928)
<b>Total Fund Balances</b>	<b>95,805</b>	<b>173,206</b>	<b>-</b>	<b>44,807</b>	<b>3,886,181</b>	<b>259,680</b>	<b>98,662</b>		<b>4,302,341</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 95,805</b>	<b>\$ 173,206</b>	<b>\$ 41,594</b>	<b>\$ 44,807</b>	<b>\$ 4,040,998</b>	<b>\$ 316,715</b>	<b>\$ 922,917</b>	<b>\$</b>	<b>7,447,408</b>

**JEFFERSON COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

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	<b>Special Revenue</b>					
	<b>SHIP Trust Fund</b>	<b>Grant Fund</b>	<b>Payroll</b>	<b>Fire Assessment</b>	<b>Landfill</b>	<b>E-911 Fund</b>
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,378,065	\$ 43,591
Intergovernmental	-	-	-	846,571	-	87,142
Grants	105,816	78,648	-	-	128,558	-
Charges for Services	-	-	-	1,739	478,830	65,908
Fines & Forfeitures	-	-	-	-	-	-
Investment Earnings	26	75	-	-	1,196	-
Other Miscellaneous Earnings	-	-	-	29,096	-	-
<b>Total Revenues</b>	<b>105,842</b>	<b>78,723</b>	<b>-</b>	<b>877,406</b>	<b>1,986,649</b>	<b>196,641</b>
<b>Expenditures</b>						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	70,527
Fire Safety	-	-	-	946,853	-	-
Physical Environment	-	-	-	-	1,907,115	-
Transportation	-	-	-	-	-	-
Economic Development	105,816	146,175	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Court-Related	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	131,407	-
Interest and Other Charges	-	-	-	-	14,004	-
<b>Total Expenditures</b>	<b>105,816</b>	<b>146,175</b>	<b>-</b>	<b>946,853</b>	<b>2,052,526</b>	<b>70,527</b>
Excess (Deficiency) of Revenue over (Under) Expenditures	26	(67,452)	-	(69,447)	(65,878)	126,113
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	-	147,000	-	360,000
Transfers (Out)	-	-	-	-	-	(360,500)
Proceeds from Long Term Debt	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,000</b>	<b>-</b>	<b>(500)</b>
<b>Net Changes in Fund Balances</b>	<b>26</b>	<b>(67,452)</b>	<b>-</b>	<b>77,553</b>	<b>(65,878)</b>	<b>125,613</b>
<b>Fund Balances-Beginning</b>	<b>-</b>	<b>447,911</b>	<b>-</b>	<b>(77,279)</b>	<b>(615,977)</b>	<b>(212,859)</b>
<b>Fund Balances-End</b>	<b>\$ 26</b>	<b>\$ 380,459</b>	<b>\$ -</b>	<b>\$ 274</b>	<b>\$ (681,854)</b>	<b>\$ (87,245)</b>

**JEFFERSON COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

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	<b>Special Revenue</b>					
	<b>Literacy Alliance</b>	<b>EMS</b>	<b>Tourist Tax</b>	<b>Sheriff</b>	<b>Court</b>	<b>Record Modernization</b>
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	91,575	-	231,050	-
Grants	179,002	6,050	-	216,788	-	-
Charges for Services	-	1,441,072	-	-	-	-
Fines & Foreitures	-	-	-	-	275,196	37,428
Investment Earnings	-	-	-	-	-	-
Other Miscellaneous Earnings	-	3,930	-	103,028	-	-
<b>Total Revenues</b>	<b>179,002</b>	<b>1,451,052</b>	<b>91,575</b>	<b>319,816</b>	<b>506,246</b>	<b>37,428</b>
<b>Expenditures</b>						
Current:						
General Government	-	-	4,000	-	-	-
Public Safety	-	1,666,462	-	283,435	-	-
Fire Safety	-	-	-	-	-	-
Physical Environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Culture and Recreation	106,828	-	-	-	-	-
Court-Related	-	-	-	-	506,246	21,489
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest and Other Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>106,828</b>	<b>1,666,462</b>	<b>4,000</b>	<b>283,435</b>	<b>506,246</b>	<b>21,489</b>
Excess (Deficiency) of Revenue over (Under) Expenditures	72,173	(215,410)	87,575	36,381	-	15,939
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	215,459	-	-	-	-
Transfers (Out)	-	-	-	-	-	-
Proceeds from Long Term Debt	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>-</b>	<b>215,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>72,173</b>	<b>49</b>	<b>87,575</b>	<b>36,381</b>	<b>-</b>	<b>15,939</b>
<b>Fund Balances-Beginning</b>	<b>(72,173)</b>	<b>132,291</b>	<b>8,230</b>	<b>136,825</b>	<b>-</b>	<b>28,868</b>
<b>Fund Balances-End</b>	<b>\$ -</b>	<b>\$ 132,340</b>	<b>\$ 95,805</b>	<b>\$ 173,206</b>	<b>\$ -</b>	<b>\$ 44,807</b>



**JEFFERSON COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

Page 3 of 3

	Debt Service			Total
	Capital	Debt	Debt	Nonmajor
	Projects	2012	2018	Governmental
				Funds
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 341,575	\$ 1,763,231
Intergovernmental	458,560	-	-	1,714,899
Grants	-	-	-	714,861
Charges for Services	-	-	-	1,987,548
Fines & Forfeitures	-	-	-	312,624
Investment Earnings	-	32	-	1,328
Other Miscellaneous Earnings	31,602	-	-	167,656
<b>Total Revenues</b>	<b>490,162</b>	<b>32</b>	<b>341,575</b>	<b>6,662,147</b>
<b>Expenditures</b>				
Current:				
General Government	-	360	-	4,360
Public Safety	-	-	-	2,020,425
Fire Safety	-	-	-	946,853
Physical Environment	-	-	-	1,907,115
Transportation	-	-	16,714	16,714
Economic Development	59,600	-	-	311,591
Culture and Recreation	-	-	-	106,828
Court-Related	-	-	-	527,735
Capital Outlay	317,718	-	-	317,718
Debt Service				
Principal	-	220,000	240,000	591,407
Interest and Other Charges	-	57,689	156,265	227,958
<b>Total Expenditures</b>	<b>377,318</b>	<b>278,049</b>	<b>412,979</b>	<b>6,978,703</b>
Excess (Deficiency) of Revenue over (Under) Expenditures	112,845	(278,017)	(71,404)	(316,555)
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	258,825	-	981,284
Transfers (Out)	-	-	-	(360,500)
Proceeds from Long Term Debt	3,845,000	-	-	3,845,000
<b>Net Other Financing Sources (Uses)</b>	<b>3,845,000</b>	<b>258,825</b>	<b>-</b>	<b>4,465,784</b>
<b>Net Changes in Fund Balances</b>	<b>3,957,844</b>	<b>(19,192)</b>	<b>(71,404)</b>	<b>4,149,228</b>
<b>Fund Balances-Beginning</b>	<b>(71,663)</b>	<b>278,872</b>	<b>170,066</b>	<b>153,113</b>
<b>Fund Balances-End</b>	<b>\$ 3,886,181</b>	<b>\$ 259,680</b>	<b>\$ 98,662</b>	<b>\$ 4,302,341</b>

**JEFFERSON COUNTY, FLORIDA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2022**

	<b>Clerk of the Circuit Court</b>	<b>Tax Collector</b>	<b>Sheriff</b>	<b>Totals</b>
<b>Assets</b>				
Cash and Cash Equivalents	\$ 537,538	\$ 4,331,682	\$ 27,491	\$ 4,896,711
Total Assets	537,538	4,331,682	27,491	4,896,711
<b>Liabilities</b>				
Deposits	-	298,375	-	298,375
Due to Other Governments	110,141	4,004,477	-	4,114,618
Due to Others	530	28,830	-	29,360
Total Liabilities	110,671	4,331,682	-	4,442,353
<b>Net Position</b>				
Restricted	-	-	-	-
Held for Others	426,867	-	27,491	454,358
Total Net Position	\$ 426,867	\$ -	\$ 27,491	\$ 454,358

**JEFFERSON COUNTY, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2022**

	<b>Clerk of the Circuit Court</b>	<b>Tax Collector</b>	<b>Sheriff</b>	<b>Totals</b>
<b>Additions</b>				
Funds Held for Others	\$ 2,723,447	\$ 51,714,577	\$ 207,978	\$ 54,646,002
Court Costs	5,386	-	-	5,386
Property Taxes Collected for Other Governments	-	13,953,714	-	13,953,714
<b>Total Additions</b>	<b>2,728,833</b>	<b>65,668,291</b>	<b>207,978</b>	<b>13,953,714</b>
<b>Deductions</b>				
Funds Held for Others	2,555,571	51,619,195	222,629	54,397,395
Court Costs	5,023	-	-	5,023
Property Taxes Collected for Other Governments	-	14,049,096	-	14,049,096
<b>Total Deductions</b>	<b>2,560,594</b>	<b>65,668,291</b>	<b>222,629</b>	<b>68,451,514</b>
<b>Net Change in Fiduciary Net Position</b>	<b>168,239</b>	<b>-</b>	<b>(14,651)</b>	<b>153,588</b>
<b>Net Position - Beginning</b>	<b>258,628</b>	<b>-</b>	<b>42,142</b>	<b>300,770</b>
<b>Net Position - Ending</b>	<b>\$ 426,867</b>	<b>\$ -</b>	<b>\$ 27,491</b>	<b>\$ 454,358</b>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GENERAL FUND - BUDGET AND ACTUAL**  
**SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 4,488,067	\$4,488,067	\$ 6,758,322	\$ 2,270,255
Licenses and Permits	272,340	272,340	378,992	106,652
Intergovernmental	8,030,026	8,030,026	4,320,641	(3,709,385)
Grants	625,587	625,587	1,255,435	629,848
Charges for Services	1,928,418	1,928,418	1,383,583	(544,835)
Fines and Forfeitures	-	-	-	-
Investment Earnings	-	-	15,495	15,495
Other Fees and Miscellaneous Revenues	47,500	47,500	247,613	200,113
<b>Total Revenues</b>	<b>15,391,938</b>	<b>15,391,938</b>	<b>14,360,081</b>	<b>(1,031,857)</b>
<b>Expenditures</b>				
Current:				
General Government	8,178,692	8,178,692	4,503,768	(3,674,924)
Public Health and Safety	6,145,594	6,145,594	5,379,804	(765,790)
Fire Safety	-	-	-	-
Physical Environment	337,537	337,537	380,603	43,066
Transportation	-	-	-	-
Economic Development	25,640	25,640	16,016	(9,624)
Human Services	438,955	438,955	107,917	(331,038)
Culture and Recreation	1,565,801	1,565,801	771,656	(794,145)
Court-Related	114,061	114,061	110,176	(3,885)
Capital Outlay	389,919	389,919	779,151	389,232
Debt Service	17,672	17,672	570,217	552,545
<b>Total Expenditures</b>	<b>17,213,871</b>	<b>17,213,871</b>	<b>12,619,307</b>	<b>(4,594,564)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,821,933)	(1,821,933)	1,740,774	3,562,707
<b>Other Financing Sources (Uses)</b>				
Transfers In	4,505,043	4,505,043	5,041,704	536,661
Transfers (Out)	(2,683,110)	(2,683,110)	(5,701,695)	(3,018,585)
Debt Proceeds	-	-	232,320	232,320
Net Other Financing Sources (Uses)	1,821,933	1,821,933	(427,671)	(2,249,604)
<b>Net Change in Fund Balance</b>	-	-	1,313,103	1,313,103
<b>Fund Balance - Beginning</b>	-	-	5,393,126	5,393,126
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,706,230</b>	<b>\$ 6,706,230</b>

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FINES AND FORFEITURES - BUDGET AND ACTUAL**  
**SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 1,034,095	\$1,034,095	\$ 782,961	\$ (251,134)
Intergovernmental	159,633	159,633	-	(159,633)
Charges for Services	-	-	350	350
Fine and Forfeitures	248,236	248,236	-	(248,236)
Investment Earnings	-	-	1,306	1,306
<b>Total Revenues</b>	<b>1,441,964</b>	<b>1,441,964</b>	<b>784,616</b>	<b>(657,348)</b>
<b>Expenditures</b>				
Current:				
Public Health and Safety	5,123,608	5,123,608	-	(5,123,608)
Capital Outlay	-	-	232,081	232,081
<b>Total Expenditures</b>	<b>5,123,608</b>	<b>5,123,608</b>	<b>232,081</b>	<b>(4,891,527)</b>
Excess (Deficiency) of Revenues (Under) over expenditures	(3,681,644)	(3,681,644)	552,535	4,234,179
<b>Other Financing Sources (Uses)</b>				
Transfers In	3,605,751	3,605,751	-	(3,605,751)
Transfers (Out)	-	-	(258,825)	(258,825)
Net Other Financing Sources (Uses)	3,605,751	3,605,751	(258,825)	(3,864,576)
<b>Net Change in Fund Balance</b>	<b>(75,893)</b>	<b>(75,893)</b>	<b>293,710</b>	<b>369,603</b>
<b>Fund Balance - Beginning</b>	<b>75,893</b>	<b>75,893</b>	<b>347,071</b>	<b>271,178</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 640,780</b>	<b>\$ 640,780</b>

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**TRANSPORTATION - BUDGET AND ACTUAL**  
**SEPTEMBER 30, 2022**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 2,142,378	\$ 2,142,378	\$ -	\$ (2,142,378)
Intergovernmental	-	-	-	-
Investment Earnings	-	-	135	135
Grants	34,481	34,481	-	(34,481)
Other Fees and Miscellaneous Revenues	72,500	72,500	31,282	(41,218)
<b>Total Revenues</b>	<b>2,249,359</b>	<b>2,249,359</b>	<b>31,417</b>	<b>(2,217,942)</b>
<b>Expenditures</b>				
Current:				
Transportation	2,249,359	2,249,359	-	(2,249,359)
Capital Outlay	-	-	148,444	148,444
Debt Services:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
<b>Total Expenditures</b>	<b>2,249,359</b>	<b>2,249,359</b>	<b>148,444</b>	<b>(2,100,915)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(117,027)	(117,027)
<b>Other Financing Sources (Uses)</b>				
Transfers (In)	-	-	4,979,236	4,979,236
Transfers (Out)	-	-	(4,681,204)	(4,681,204)
Debt Proceeds	-	-	-	-
Net Other Financing Sources (Uses)	-	-	298,031	(4,681,204)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>181,004</b>	<b>181,004</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>-</b>	<b>205,019</b>	<b>205,019</b>
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 386,023</b>	<b>\$ 386,023</b>

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GRANTS - BUDGET AND ACTUAL**  
**SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues</b>				
Grants	\$ 1,256,651	\$ 1,256,651	\$ 1,279,693	\$ 23,042
Other Fees and Miscellaneous Revenues	-	-	-	-
<b>Total Revenue</b>	<b>1,256,651</b>	<b>1,256,651</b>	<b>1,279,693</b>	<b>23,042</b>
<b>Expenditures</b>				
Current:				
Public Health and Safety	1,256,651	1,256,651	80,053	(1,176,598)
Capital Outlay	-	-	717,641	717,641
<b>Total Expenditures</b>	<b>1,256,651</b>	<b>1,256,651</b>	<b>797,694</b>	<b>(458,957)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>481,999</b>	<b>481,999</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	-	-	-
Debt Proceeds	-	-	-	-
<b>Net Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>481,999</b>	<b>481,999</b>
<b>Fund Balance-Beginning</b>	<b>-</b>	<b>-</b>	<b>(21,595)</b>	<b>(21,595)</b>
<b>Fund Balance-End</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 460,405</b>	<b>\$ 460,405</b>



**JEFFERSON COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**  
**YEAR ENDED SEPTEMBER 30, 2022**

**SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

(Last 10 Fiscal Years)

Reporting Period Ending Measurement Date	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017
<b>TOTAL OPEB LIABILITY</b>					
Service Cost	\$ 188,298	\$ 283,072	\$ 233,488	\$ 179,055	\$ 68,889
Expected Interest Rate Growth	120,180	67,261	47,222	34,306	29,393
Unexpected Investment Income	-	-	-	-	-
Demographic Experience	-	(496,960)	-	20,987	-
Amortization Payments	-	-	-	-	(21,150)
Changes of Assumptions	(544,159)	70,719	313,160	1,049,439	(137,688)
Benefit Payments/Refunds	(78,239)	(77,765)	(86,487)	(92,858)	(53,185)
Net Change in Total OPEB Liability	(313,920)	(153,673)	507,383	1,190,929	(113,741)
Total OPEB Liability-Beginning	2,369,864	2,523,537	2,016,154	825,225	938,966
Total OPEB Liability-Ending	\$2,055,944	\$ 2,369,864	\$2,523,537	\$2,016,154	\$ 825,225
Covered Employee Payroll (Projected)	\$6,003,096	\$ 6,003,096	NA	NA	\$4,272,723
City's Total OPEB Liability as a Percentage of Covered Employee Payroll	34.25%	39.48%	NA	NA	19.31%

Notes to Schedule

2018 was the initial year of plan disclosure due to the implementation of GASB 75. No prior data available.  
*Difference Between Expected and Actual Experience:* Difference between expected and actual experience reflects the impact of changes to the census date from the prior valuation to the valuation as of September 30, 2021.

*Changes of Assumptions:* Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30:	
2022	4.77%
2021	2.43%
2020	2.14%
2019	3.58%
2018	4.18%
2017	3.64%

Also reflected as assumption changes are updated health care costs and premiums, updated health care cost trend rates, and updated mortality rates.

*Benefit Payment:* The plan sponsor did not provide actual net benefits paid by the plan for the fiscal year ending on September 30, 2022. Expected net benefits payments produced by the valuation model for the same period are shown in the table above.

**JEFFERSON COUNTY, FLORIDA**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS AS OF SEPTEMBER 30**

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Florida Retirement System (FRS)</b>								
Proportion of the net pension liability (asset)	0.02775550%	0.02822596%	0.03091514%	0.03118610%	0.0299989%	0.0296000%	0.0295000%	0.0295000%
Proportionate share of the net pension liability (asset)	\$ 10,327,276	\$ 2,132,149	\$ 13,399,077	\$ 10,740,072	\$ 9,035,828	\$ 8,742,900	\$ 7,441,356	\$ 3,809,280
Covered-employee payroll	\$ 6,003,096	\$ 6,003,096	\$ 9,426,160	\$ 9,804,912	\$ 6,417,339	\$ 6,397,923	\$ 6,117,786	\$ 6,080,100
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	172.03%	35.52%	142.15%	109.54%	140.80%	136.65%	121.63%	62.65%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%
<b>Health Insurance Subsidy Program (HIS)</b>								
Proportion of the net pension liability (asset)	0.020448600%	0.020027620%	0.019767690%	0.019643000%	0.019132500%	0.018700000%	0.018700000%	0.018900000%
Proportionate share of the net pension liability (asset)	\$ 2,165,833	\$ 2,456,690	\$ 2,409,827	\$ 2,197,851	\$ 2,025,004	\$ 2,002,330	\$ 2,182,199	\$ 1,926,120
Covered-employee payroll	\$ 6,003,096	\$ 6,003,096	\$ 9,426,160	\$ 9,804,912	\$ 6,417,339	\$ 6,397,923	\$ 6,117,786	\$ 6,080,100
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36.08%	40.92%	25.57%	22.42%	31.56%	31.30%	35.67%	31.68%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

**JEFFERSON COUNTY, FLORIDA**  
**SCHEDULE OF CONTRIBUTIONS OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS AS OF SEPTEMBER 30**

	2022	2021	2020	2019	2018	2017	2016	2015
<b>Florida Retirement System (FRS)</b>								
Contractually required contribution	\$ 1,184,377	\$ 1,075,287	\$ 1,027,173	\$ 993,513	\$ 874,921	\$ 774,744	\$ 745,245	\$ 719,039
Contributions in relation to the contractually required contribution	(1,184,377)	(1,075,287)	(1,027,173)	(993,513)	(874,921)	(774,744)	(745,245)	(719,039)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Covered-employee payroll</b>	\$ 6,003,096	\$ 6,003,096	\$ 9,426,160	\$ 9,804,912	\$ 6,417,339	\$ 6,397,923	\$ 6,117,786	\$ 6,080,100
Contributions as a percentage of covered-employee payroll	19.73%	17.91%	10.90%	10.13%	13.63%	12.11%	12.18%	11.83%
<b>Health Insurance Subsidy Program (HIS)</b>								
Contractually required contribution	\$ 123,731	\$ 117,723	\$ 113,734	\$ 110,818	\$ 104,360	\$ 100,570	\$ 96,042	\$ 72,196
Contributions in relation to the contractually required contribution	(123,731)	(117,723)	(113,734)	(110,818)	(104,360)	(100,570)	(96,042)	(72,196)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Covered-employee payroll</b>	\$ 6,003,096	\$ 6,003,096	\$ 9,426,160	\$ 9,804,912	\$ 6,417,339	\$ 6,397,923	\$ 6,117,786	\$ 6,080,100
Contributions as a percentage of covered-employee payroll	2.06%	1.96%	1.21%	1.13%	1.63%	1.57%	1.57%	1.19%

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

## **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  
GOVERNMENT AUDITING STANDARDS**

The Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States, the financial statements of the governmental activities, and each major fund and the aggregate remaining fund information for Jefferson County, Florida, (the "County") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Jefferson County, Florida's basic financial statements and have issued our report thereon dated June 30, 2023.

**Internal Control over Financial Reporting**

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

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

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 significant deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies, listed as Board 2022-01, Board 2018-001, and Board 2008-001, described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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. We consider the deficiencies described in the schedule of findings and questioned costs as item, Board 2008-002, to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 did not result in any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Jefferson County's Response to Findings**

Jefferson County, Florida's written response to the findings identified in our audit is described in the accompanying letter. We did not audit the County's response and, accordingly, we express no opinion on it.

**Purpose of this Report**

This report is intended solely for the information and use of the County, Constitutional Officers and management, the State of Florida Auditor General, specific legislative or regulatory bodies, and 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.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

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

The Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

**Report on Compliance for Each Major Federal Awards Program and State Financial Assistance Project**

We have audited Jefferson County, Florida, Board of County Commissioners' (the "County") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance and Supplement* and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of its major state projects for the year ended September 30, 2022. The County's major federal programs state financial assistance projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, Uniform Guidance and Chapter 10.550, *Rules of the Florida Auditor General* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Major Federal Awards Program and State Financial Assistance Project**

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state project for the year ended September 30, 2022.

### **Report on Internal Control over Compliance**

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

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

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

### **Purpose of this Report**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023



**JEFFERSON COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<b>Federal Grantor</b>		<b>Grant/ Contract</b>	<b>Award</b>	
<b>Pass Through Grantor</b>		<b>Number</b>	<b>Amount</b>	<b>Expenditures</b>
<b>Program Title</b>	<b>ALN</b>			
<b>U.S. Department of Justice</b>				
COPS Hiring Program	16.710	2020UMWX0105	\$ 118,838	\$ 40,591
<b>Pass through Florida Department of Law Enforcement</b>				
Edward Byrne Memorial JAG Program - Patrol Car	16.738	2021-JAGC-JEFF-4-3B-078	29,627	29,627
Edward Byrne Memorial JAG Program - Patrol Car	16.738	2020-JAGC-JEFF-1-Y5-147	33,033	33,033
Edward Byrne Memorial JAG Program - Surveillance System	16.738	2021-JAGC-JEFF-5-Y5-184	46,300	46,300
Edward Byrne Memorial JAG Program - 2 Trucks	16.738	2022-JAGC-JEFF-1-5R-177	85,784	85,784
<b>Pass through Florida Office of the Attorney General</b>				
Victims of Crime Act Grant	16.575	VOCA-2021-Jefferson County Sheriff-00780	67,665	66,782
<b>Total U.S. Department of Justice</b>			<b>381,247</b>	<b>302,117</b>
<b>U.S. Department of Treasury</b>				
<b>Pass through Florida Division of Emergency Management</b>				
Coronavirus Relief Fund	21.019	Y2308	2,658,739	79,693
<b>Total U.S. Department of Treasury</b>			<b>2,658,739</b>	<b>79,693</b>
<b>U.S. Election Assistance Commission</b>				
<b>Pass through Florida Department of State, Division of Elections</b>				
HAVA Election Security Grant	90.404	22.e.es.000.032	2,985	1,936
HAVA Election Security Grant	90.404	22.e.es.200.032	11,194	11,194
HAVA Election Security Grant	90.404	22.e.es.300.032	52,019	52,019
<b>Total U.S. Election Assistance Commission</b>			<b>66,198</b>	<b>65,149</b>
<b>U.S. Department of Health and Human Services</b>				
<b>Pass through Florida Department of Revenue</b>				
Child Support Enforcement Program	93.563	2301FLCSES	-	32,518
<b>Total U.S. Department of Health and Human Services</b>			<b>-</b>	<b>32,518</b>
<b>U.S. Department of Homeland Security</b>				
<b>Pass through Florida Division of Emergency Management</b>				
Public Assistance Grant	97.036	Z2616	-	134,673
Emergency Management Performance Grant	97.042	G0255	18,579	9,870
Emergency Management Performance Grant	97.042	G0233	54,946	54,069
Emergency Management Performance Grant	97.042	G0356	50,000	45,058
<b>Total U.S. Department of Homeland Security</b>			<b>123,525</b>	<b>243,670</b>
<b>U.S. Department of Housing and Urban Development</b>				
<b>Pass through Florida Department of Economic Opportunity</b>				
Small Cities Community Development Block Grant (CDBG)	14.228	19DB-ON-02-43-01-H13	750,000	78,648
<b>Total U.S. Department of Housing and Urban Development</b>			<b>750,000</b>	<b>78,648</b>
<b>Total Federal Awards</b>			<b>\$ 3,979,709</b>	<b>\$ 801,795</b>

**JEFFERSON COUNTY, FLORIDA  
SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Page 2 of 2

<b>State Grantor Program Title</b>	<b>CSFA Number</b>	<b>Grant/ Contract Number</b>	<b>Award Amount</b>	<b>Expenditures</b>
<b>Florida Division of Emergency Management</b>				
Emergency Preparedness & Assistance Grant	31.063	A0200	\$ 129,301	\$ 105,025
Emergency Preparedness & Assistance Grant	31.063	A0270	105,806	29,755
<b>Total Florida Division of Emergency Management</b>			235,107	134,780
<b>Florida Department of Environmental Protection</b>				
Small County Consolidated Solid Waste Management Grant	37.012	SC218	93,750	93,750
Household Hazardous Waste Co-op Grant	37.007	HW203	52,000	34,808
<b>Total Florida Department of Environmental Protection</b>			145,750	93,750
<b>Florida Housing Finance Corporation</b>				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	-	105,816
<b>Total Florida Housing Finance Corporation</b>			-	105,816
<b>Florida Department of Agriculture</b>				
Mosquito Control	42.003	28454	38,025	38,025
<b>Total Florida Department of Agriculture</b>			38,025	38,025
<b>Florida Department of State, Division of Library and Information Services</b>				
State Aid to Libraries Grant	45.030	22-ST-95	302,105	302,105
<b>Total Florida Department of State, Division of Library and Information Services</b>			302,105	302,105
<b>Florida Department of Transportation</b>				
Small County Outreach Program (SCOP)	55.009	G1P99	198,679	198,679
Small County Outreach Program (SCOP)	55.009	G2299	956,142	54,362
Small County Outreach Program (SCOP)	55.009	G2301	142,200	78,210
<b>Total Florida Department of Transportation</b>			1,297,021	331,251
<b>Florida Department of Law Enforcement</b>				
Law Enforcement Salary Assistance	71.067	7G032	261,000	65,250
Emergency Communications System	71.053	D5005	1,200,000	1,200,000
<b>Total Florida Department of Law Enforcement</b>			1,461,000	1,265,250
<b>Total State Financial Assistance</b>			3,479,008	2,270,977
<b>Total Federal Awards and State Financial Assistance</b>			\$ 7,458,717	\$ 3,072,772

**JEFFERSON COUNTY, FLORIDA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARD PROGRAMS**  
**AND STATE FINANCIAL ASSISTANCE PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Note 1 – Basis of Accounting**

The supplementary schedule of expenditures of federal award programs and state financial assistance projects includes the grant activity of Jefferson County, Florida (the “County”). Federal and state expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 – Reporting Entity**

The County for purposes of the supplementary schedule of expenditures of federal award programs and state financial assistance projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

**Note 3 – Indirect Cost**

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

**Note 4 – Other Types of Financial Assistance**

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property, or free rent received or included in the schedule of expenditures of federal award programs and state financial assistance projects

**JEFFERSON COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Summary of Audit Results**

**Financial Statements**

1. The Independent Auditor's Report expresses an unmodified opinion on the financial statements of Jefferson County, Florida (the "County").
2. Material weaknesses and significant deficiencies disclosed during the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards." The findings listed as Board 2022-001, Board 2018-001, and Board 2008-001 are material weaknesses. The finding listed as Board 2008-002 is a significant deficiency.
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.

**Federal Awards and State Financial Assistance**

4. Material weaknesses and significant deficiencies relating to the audit of the major federal award programs and state financial assistance projects are reported in the "Independent Auditor's Report on Compliance for Each Major Federal Award Program and State Project and on Internal Control over Compliance Required by Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*". The finding listed as Board 2022-002 is a significant deficiency.
5. The "Independent Auditor's Report on Compliance for Each Major Federal Award Program and State Project and on Internal Control over Compliance Required by Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*" for the County expresses an unmodified opinion.
6. There was one finding relative to the major federal award programs and state financial assistance projects for the County – see finding Board 2023-001.
7. The program/projects tested as major programs/projects included the following:

<u>Major State and Federal Programs</u>	<u>ALN/CSFA</u>
<b>U.S. Department of Justice</b>	
Edward Byrne Memorial JAG Program	16.738
<b>U.S. Department of Homeland Security</b>	
Public Assistance Grant	97.036
<b>Florida Department of Law Enforcement</b>	
Emergency Communications System	71.053

8. The threshold for distinguishing Type A and Type B programs/projects was \$750,000 for both major federal award programs and state financial assistance projects.
9. The County did not qualify as a low-risk auditee.

**JEFFERSON COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**FINDINGS FINANCIAL STATEMENT AUDIT**

**BOARD OF COUNTY COMMISSIONERS – Current Year Comments**

**Gas Tax Revenue Bonds – Board 2022-001**

**CRITERIA:** The original official statement of the Gas Tax Revenue Bonds Series 2022 requires the creation of three separate funds: a Revenue Fund, Debt Service Fund, and Rebate Fund. In the Revenue Fund, two accounts are established: Restricted Revenue account and Unrestricted Revenue account. In the Debt Service Fund, four accounts are established, Interest account, Principal account, Bond Amortization account and Reserve account. The official statement requires the deposit of \$287,800 to the Reserve account in the Debt Service Fund. The official statement also specifies the Flow of Funds.

**CONDITION:** Not all the agreed to funds were established as required, and there is no indication that the deposit to the Reserve account of \$287,800 was made.

**CAUSE:** Accounting staff did not set up the required funds or accounts before the end of the year.

**EFFECT:** The County cannot document compliance with the requirements of the Bond ordinance.

**RECOMMENDATION:** We recommend that the County establish all the required funds and accounts as outlined in the official bond statement, use these funds and accounts for the Gas Tax Revenue Bonds Series 2022, and the Series 2012. (The Series 2012 has the exact requirements and the same flow of funds) and to follow the flow of funds as outlined in the bond ordinances.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan.

**BOARD OF COUNTY COMMISSIONERS – Prior Year Comments**

**County Budget – Board 2018-001**

**CRITERIA:** The County has many Florida Statute requirements regarding the adoption of annual budget F.S. 129.01 requires it to be adopted at a level of detail required for the annual financial report.

**CONDITION:** The county budget was not prepared on a basis consistent with how the financial statements are prepared. It does not include budgets for the Constitutional officers that is consistent with their actual results. The Board's final adopted budget does not contain sufficient detail at the fund level and fails to account for the significant amounts of lease purchases made, Capital outlay and Debt payments are not budgeted correctly. It was noted that several funds are not budgeted at all.

**JEFFERSON COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**CAUSE:** The County does not have a detailed budget of consistent detail to make a budget vs actual computation for each fund.

**EFFECT:** The County overspent the budget for the 2022 in several funds.

**RECOMMENDATION:** We recommend the County adopt a budget in sufficient detail to include all actual funds being used to record transactions including all Constitutional officers. And that the budget be entered into the accounting system to enable the Board to monitor actual versus budget comparisons on a monthly basis.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan.

**Segregation of Duties – Board 2008-001**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not considered feasible by the County because of its size and limited number of employees. The County recognizes that the cost if its internal control structure should not exceed the benefits expected to be derived. The County also recognizes the inherent limitations of an internal control structure. Mistakes and irregularities may occur in any event with or without an adequate internal control structure. Furthermore, adequate segregation of duties can be circumvented by collusion among persons. Nevertheless, internal control is strengthened when incompatible duties are separated, and review procedures are established and adhered to.

**CAUSE:** The County has limited personnel in the accounting department.

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We recommend that the County continue to seek ways to strengthen internal control through segregation of duties.

**STATUS:** There is still a lack of segregation of duties between employees who have recordkeeping responsibilities and employees with custody of County assets.

**VIEW OF RESPONSIBLE OFFICIALS:** See Management's Response and Corrective Action Plan.

**Deficiency over Financial Reporting – Board 2008-002**

**CRITERIA:** An entity's system of internal control over financial reporting should include controls over the prevention, detection and correction of misstatements in the audited financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**CONDITION:** The County relies on the external auditor and outside accountants to assist with preparing the financial statements and posting the final working trial balances in conformity with generally accepted accounting principles. It was noted that county's, main cash account was not reconciled during the year, and that prior year audit adjustments were not reversed. There were an excessive number of audit adjustments posted to the September 30, 2022 working trial balance.

**CAUSE:** The County has an individual providing bookkeeping services; however, the County does not have an individual on staff with accounting education and experience to properly record more complex accounting transactions and prepare financial statements in accordance with generally accepted accounting principles. Outside accountants are assisting with the process, but it is all being done after year end, and it is difficult to obtain all the required documents to record the transactions correctly.

**EFFECT:** The fact the County does not have someone on staff to prepare the financial statements in accordance with generally accepted accounting principles and to record complex transactions results in a material weakness under professional standards.

**RECOMMENDATION:** We understand the cost-benefit of employing someone with this expertise is not practical, therefore, we recommend the County continue to request outside assistance in recording more complex transactions and that additional training and/or education be provided to existing staff to enable them to more accurately record financial activities.

**FINANCIAL STATEMENT FINDINGS FOR FEDERAL PROGRAMS AND STATE PROJECTS**

**Late Submission of Data Collection Form – Board 2022-002**

**CRITERIA:** In accordance with Uniform Guidance 2 CFR 200.512(a), the audit package and data collection form shall be submitted 30 days after receipt of the auditor's report, or 9 months after the end of the fiscal year, whichever comes first.

**CONDITION:** The data collection form in connection with the prior year audit was not filed within 9 months after the fiscal year end.

**CAUSE:** Management did not have procedures in place to ensure the timely filing of the data collection form to the Federal Audit Clearinghouse.

**EFFECT:** Late filing will result in noncompliance with timely submission of financial information to the grantor agencies.

**RECOMMENDATION:** Management should evaluate the current procedures in place to ensure the timely filing of the data collection form to the Federal Audit Clearinghouse.

**PRIOR-YEAR FINDINGS AND QUESTIONED COSTS FOR FEDERAL PROGRAMS AND STATE PROJECTS**

None

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

The Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

### Report on the Financial Statements

We have audited the financial statements of Jefferson County, Florida, (the "County") as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated June 30, 2023.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Florida Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Awards Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Florida Auditor General*. Disclosures in those reports and schedules, which are dated June 30, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)l., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Schedule of Findings and Questioned Costs."

### Official Title and Legal Authority

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



**Financial Condition**

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

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

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

**Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Additional Matters**

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

**Purpose of This Letter**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES,  
*LOCAL GOVERNMENT INVESTMENT POLICIES***

The Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

We have examined the Jefferson County, Florida's (the "County") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Jefferson County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Jefferson County, Florida's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about the County's compliance with the specified requirements. The nature, timing, and extent of the procedures selected depends on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the County's compliance with specific requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON  
COMPLIANCE WITH SECTION 365.172(10)  
AND SECTION 365.173(2)(d), FLORIDA STATUTES.**

The Honorable Board of County Commissioners  
Of Jefferson County, Florida  
Monticello, Florida

We have examined Jefferson County, Florida's (the "County") compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2022. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on County's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respect, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depends on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the County's compliance with specific requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023



# KIRK REAMS

Jefferson County  
Clerk of Court & CFO

1 Courthouse Circle  
Monticello, FL 32344  
(850) 342-0218  
Fax (850) 342-0222

July 31, 2023

Ms. Sherrill F. Norman, CPA  
Auditor General, State of Florida  
111 West Madison Street  
Tallahassee, Florida 32399

Dear Ms. Norman

Regarding the Moran & Smith CPA County Fiscal Year 2021-2022 audit finding and recommendation of Jefferson County, the following is our response to findings 2022-001, 2018-001, 2008-001, C2008-001, C2008-002 and 2022-002.

We agree with Finding 2022-001 which states the County needs to establish a reserve account in the amount of \$287,000 as required by the 2022 Gas Tax Revenue Bond Series. It is our intent to work with the County and to help establish this account which will remedy this finding moving forward.

We agree with finding 2018-001 which states the County did not adopt a budget that is consistent with how the financial statements are prepared. The recommendation is that when adopting the annual budget, all funding sources should be approved by the Board and the budget should be prepared at the fund level. To remedy this finding, we began budgeting at the fund level for the CFY 22-23 budget cycle. This will remedy this finding moving forward.

We agree with finding C2008-001 that states there is not an ideal separation of duties between employees who have accounting and administrative duties. As acknowledged by the external auditors, Jefferson County is small and has significant budgetary constraints that may prohibit completely resolving this issue. Also, as stated by the external auditor, the "cost of its internal control structure should not exceed the benefits expected to be derived". We will follow the auditor's recommendation to continue to seek ways to strengthen internal controls through segregation of duties.

We agree with finding C2008-002, which states the County does not have adequate staff to prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP). We will follow the auditor's recommendation to continue to use outside assistance to help with complex accounting transactions and in preparing the County financial statements in accordance with GAAP. We feel that using the CPA that performed the County's external audit for many years should give us the expertise to help remedy this finding moving forward.

Finding 2022-002 states "in accordance with Uniform Guideline 2 CFR 200.512(a), the audit package and data collection form shall be submitted 30 days after the receipt of the auditor's report, or 9 months after the end of the fiscal year, whichever comes first". This refers to the timely filing of summarized financial data to the Federal Audit Clearinghouse. The County's external auditor did not finalize the Comprehensive Annual Financial Report (CAFR) until months after the required June 30<sup>th</sup> deadline. Technically we could have met this requirement by submitting financial data that was not audited. We did not feel it prudent, nor did we feel comfortable submitting un-audited data. We feel that moving forward, a timely CAFR should remedy this finding.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

Kirk B. Reams,  
Clerk of Circuit Court & Comptroller, Clerk to the BOCC  
Jefferson County



**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
SEPTEMBER 30, 2022**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Kirk Reams  
Clerk of the Circuit Court, Jefferson County, Florida  
Monticello, Florida

### **Opinions**

We have audited the accompanying financial statements of each major fund, and the aggregate remaining fund information of the Jefferson County, Florida Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Jefferson County, Florida Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, accompanying financial statements are intended to present the financial position and changes in financial position of each major fund and aggregate remaining fund information, only for the portion of the major funds, and the aggregate remaining fund information, of Jefferson County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Jefferson County, Florida as of September 30, 2022, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



**Required Supplementary Information**

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

**Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The accompanying combining special-purpose statement of fiduciary net position and combining special-purpose statement of changes in fiduciary net position, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining special-purpose statement of fiduciary net position and combining special-purpose statement of changes in fiduciary net position are 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 June 30, 2023, on our consideration of the Clerk'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 included under the heading *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 Governmental Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result 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 Clerk's internal control over financial reporting and compliance.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

## **BASIC FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BASIC STATEMENT OF NET POSITION  
GOVERNMENTAL FUND  
SEPTEMBER 30, 2022**

	<b>General Fund</b>	<b>Court</b>	<b>Record Modernization</b>	<b>Total Governmental</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 86,543	\$ 13,998	\$ 7,268	\$ 107,809
Restricted cash and cash equivalent	-	-	33,228	33,228
Accounts receivable	6,006	26,916	4,311	37,233
Due from other funds	-	-	-	-
Due from Board of County Commissioners	-	-	-	-
Due from other governmental units	-	680	-	680
<b>Total assets</b>	<b>92,549</b>	<b>41,594</b>	<b>44,807</b>	<b>178,950</b>
<b>Liabilities</b>				
Accounts payable	15,989	2,986	-	18,975
Deferred revenues	-	22,619	-	22,619
Due to Board of County Commissioners	76,560	-	-	76,560
Due to other governmental units	-	15,989	-	15,989
<b>Total liabilities</b>	<b>92,549</b>	<b>41,594</b>	<b>-</b>	<b>134,143</b>
<b>Fund Balances</b>				
Restricted	-	-	44,807	44,807
<b>Total liabilities and fund balances</b>	<b>\$ 92,549</b>	<b>\$ 41,594</b>	<b>\$ 44,807</b>	<b>\$ 178,950</b>

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

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BASIC STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	General Fund	Court	Record Modernization	Total Governmental
<b>Revenues</b>				
Charges for services	\$ 93,692	\$ -	\$ -	\$ 93,692
Intergovernmental	36,332	231,049	-	267,382
Fines and Forfeitures	-	275,196	37,428	312,624
<b>Total Revenues</b>	<b>130,024</b>	<b>506,246</b>	<b>37,428</b>	<b>673,698</b>
<b>Expenditures</b>				
General government:				
Personal services	282,479	-	-	282,479
Operating expenses	160,809	-	-	160,809
Court-related:				
Personal services	110,176	305,917	-	416,092
Operating expenses	-	200,329	21,488	221,818
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>553,464</b>	<b>506,246</b>	<b>21,488</b>	<b>1,081,198</b>
<b>Excess (Deficiency) of revenues over (under) expenditur</b>	<b>(423,440)</b>	<b>-</b>	<b>15,939</b>	<b>(407,501)</b>
<b>Other financing sources (uses)</b>				
Transfers in	500,000	-	-	500,000
Transfers out	(76,560)	-	-	(76,560)
<b>Net other financing sources (uses)</b>	<b>423,440</b>	<b>-</b>	<b>-</b>	<b>423,440</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>15,939</b>	<b>15,939</b>
<b>Fund balances - beginning - restricted</b>	<b>-</b>	<b>-</b>	<b>28,868</b>	<b>28,868</b>
<b>Fund balances - ending - restricted</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,807</b>	<b>\$ 44,807</b>

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

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BASIC STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 537,538
<b>Total assets</b>	<b>537,538</b>
<b>Liabilities</b>	
Due to others	530
Due to other governments	110,141
<b>Total liabilities</b>	<b>110,671</b>
<b>Net Position</b>	
Restricted	-
Held for others	426,867
<b>Total net position</b>	<b>\$ 426,867</b>

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

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BASIC STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<b>Additions</b>	
Funds held for others	\$ 2,723,447
Court costs	5,386
<b>Total additions</b>	<b>2,728,833</b>
<b>Deductions</b>	
Funds held for others	2,555,571
Court costs	5,023
<b>Total deductions</b>	<b>2,560,594</b>
<b>Net change in fiduciary net position</b>	<b>168,239</b>
<b>Net position - beginning</b>	<b>258,628</b>
<b>Net position - ending</b>	<b>\$ 426,867</b>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies**

The accounting policies of the Clerk conform to accounting principles generally accepted in the United States of America as applicable to government units. The following is a summary of the more significant accounting principles and policies used in the preparation of these basic financial statements. For financial reporting purposes, the Clerk is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

**Reporting Entity**

The Jefferson County Clerk of Circuit Court ("Clerk") is an integral part of Jefferson County, Florida and is an elected Constitutional Officer who is governed by state statutes and regulations. The basic financial statements of the Clerk are included in Jefferson County, Florida's basic financial statements. The Clerk operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are transferred from the Board of County Commissioners and any unspent appropriations are transferred back to the Board of County Commissioners after the end of the fiscal year. The receipts from the Board are recorded as other financing sources on the Clerk's financial statements and as other financing uses on the Board's financial statements. Effective June 1, 2013, the Clerk was authorized to retain funds collected for court-related fines, fees and service charges. The Clerk will also receive a monthly appropriation from the State of Florida Clerk of Court Trust Fund for any shortage of revenues up to the approved budget. The receipts from the State are recorded as intergovernmental revenue on the Clerk's basic financial statements. As specified in Florida Senate Bill 1512, spending authority will continue to be provided by the State and will follow the County fiscal year (October 1 to September 30). The Clerk's basic financial statements do not purport to reflect the financial position or the results of operations of Jefferson County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Clerk's office is operationally autonomous from the Board of County Commissioners (the "Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial purposes. Therefore, the Clerk is reported as part of the primary government of Jefferson County, Florida.

These basic financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General*, State of Florida, the basic financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.



**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation**

The accompanying basic financial statements include all the funds and accounts of the Clerk's office but are not a complete presentation of the County as a whole. The accompanying financial statements are prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General-Local Governmental Entity Audits*.

**Fund Accounting**

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

The purposes of the Clerk's various funds are categorized and described as follows:

The Clerk utilizes the following fund type:

- **Governmental Fund:**

- **General Fund** – The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except those required to be accounted for in another fund.
- **Court Fund** – The Court Fund was established to account for court-related revenues and expenditures. Included in the Court Fund is the federal reimbursement of the court-related child support revenues and expenditures for overhead.
- **Record Modernization Fund** – The Record Modernization Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the public records system of the Clerk's office and additional court-related operational needs and program enhancements.

- **Fiduciary Fund:**

- **Custodial Fund** – The custodial fund is used to account for assets held by the Clerk as an agent for individuals, private organizations, and other governments.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Basis of Accounting**

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use the restricted resources first, then unrestricted resources as needed.

**Budgetary Requirements**

Government fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is adopted for the Clerk's General Fund. All budget amounts presented in the accompanying basic financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Clerk of the Circuit Court, functioning in the capacity as the Clerk of the Circuit and County Courts and as the Clerk of the Board of County Commissioners, prepares a budget in two parts:

The budget for funds necessary to perform court-related functions as provided in the Florida Statutes 28.36 is filed with the Florida Clerks of Court Operations Corporation; and

The budget for funds necessary to perform those duties of Clerk of the Board of County Commissioners, County Auditor, and Custodian of all county funds and other county-related duties.

The Clerk's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriation at the individual fund level. Appropriations lapse at the end of the fiscal year.

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Short-term investments also include amounts placed with the State Board of Administration for participation in the Local Government Surplus Trust Fund investment pools created by Section 218.405 and 218.417, Florida Statutes.

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Capital Assets and Depreciation**

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the capital asset accounts of the County. The Clerk maintains custodial responsibility for the capital assets used by their office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment     3-30 years

**Due to Others**

This account is used to account for assets held by the Clerk for other governmental agencies or individuals.

**Unearned Revenues**

Unearned revenues reported in governmental fund financial statements represent unearned revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting are reported as unearned revenues.

**Accumulated Compensated Absences**

The Clerk maintains a policy that permits permanent full-time employees to accumulate earned but unused personal leave hours that will be paid to employees upon separation if certain criteria are met. These benefits, plus their related tax and retirement cost are classified as compensated absences. Employees may be paid for unused personal leave hours accrued up to a maximum amount in accordance with the personnel policy.

The Clerk's accumulated compensated absences are reported in the statement of net position in the County's financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

**Governmental Fund Balances**

The Clerk adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See note 7.

**Risk Management and Insurance**

The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employee and/or the public; or damage to property of others. The Clerk is covered under the Board of County Commissioners insurance policies. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made in the last year.

**Management Estimates and Assumptions**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (Concluded)**

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

**Recently Issued and Implemented Accounting Pronouncements**

In fiscal year 2022, the Clerk implemented GASB statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statement by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this statement.

**Note 3 – Deposits and Investments**

At September 30, 2022, the carrying amount of the Clerk's cash and cash equivalents was \$107,809 and restricted cash was \$33,228. The Clerk's custodial cash is \$322,633. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposit may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

The Clerk's investment practices are governed by Chapter 218.415 of the Florida Statutes. The Clerk is authorized to invest in certificated of deposit, money market certificates, obligations of the US Treasury, mutual funds and repurchase agreements collateralized by U.S. Government securities, and the Local Government Surplus Trust Fund.

**Credit Risk**

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the Clerk's investments are not evidenced by specific, identifiable investment securities.

**Interest Rate Risk**

At September 30, 2022, the Clerk did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

At September 30, 2022, the Clerk did not hold any deposits or investments that were considered to have custodial risk.

**Concentration of Credit Risk**

At September 30, 2022, the Clerk did not have any investments that were considered to have a concentration of credit risk.

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 4 – Long-term Liability for Compensated Absences**

Of the \$15,288 liability for accrued compensated absences, management estimates that \$3,822 will be due and payable within one year. The liability is not reported in the financial statements of the Clerk since it is not payable from available resources at September 30, 2022. The liability is reported on the statement of net position in the County-wide financial statements.

**Note 5 – Pension and Postemployment Benefits Other Than Pension Benefits**

**Florida Retirement System (FRS) Pension Benefits**

The Clerk participates in the Florida Retirement System to provide benefits to their employees. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

**Postemployment Benefits Other Than Pensions**

The Clerk participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

**Note 6 – Court Related Fees**

Based on the legal opinion provided by the Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund asset or liability, Due to/from Other Governmental Units. As of September 30, 2022, there were \$15,989 excess court-related fees.

**Note 7 – Fund Equity**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable net assets at September 30, 2022.

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2022, the Clerk reports net assets as restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed, or assigned to specific purposes within the general fund. For the year ended September 30, 2022, the Clerk reported \$44,807 in restricted fund balance for the modernization of public records and court-related technology.

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 8 - Cooperative Agreement**

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$32,517 for current year reimbursements.

**Note 9 – Excess Revenue**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County General Fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. The Clerk had excess revenue of \$76,560, and this amount was due to the Board of County Commissioner at year end.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 93,692	\$ 93,692
Intergovernmental	-	-	36,332	36,332
Fines and forfeitures	-	-	-	-
<b>Total Revenues</b>	-	-	130,024	130,024
<b>Expenditures</b>				
General government:				
Personal services	292,439	292,439	282,479	9,960
Operating expenses	93,500	93,500	160,809	(67,309)
Court-related:				
Personal services	114,061	114,061	110,176	3,885
Operating expenses	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	500,000	500,000	553,464	(53,464)
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	(500,000)	(500,000)	(423,440)	76,560
<b>Other financing sources (uses)</b>				
Transfers in	500,000	500,000	500,000	-
Transfers out	-	-	(76,560)	76,560
<b>Net other financing sources (uses)</b>	500,000	500,000	423,440	(76,560)
<b>Net change in fund balance</b>	\$ -	\$ -	\$ -	\$ -



**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BUDGETARY COMPARISON SCHEDULE  
COURT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<b>Court Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>With Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	231,049	231,049	231,049	-
Fines and forfeitures	270,777	270,777	275,196	4,419
<b>Total Revenues</b>	<b>501,826</b>	<b>501,826</b>	<b>506,246</b>	<b>4,420</b>
<b>Expenditures</b>				
General government:				
Personal services	-	-	-	-
Operating expenses	-	-	-	-
Court-related:				
Personal services	303,246	303,246	305,917	(2,671)
Operating expenses	198,580	198,580	200,329	(1,749)
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>501,826</b>	<b>501,826</b>	<b>506,246</b>	<b>(4,420)</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
BUDGETARY COMPARISON SCHEDULE  
RECORD MODERNIZATION FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Records Modernization Fund				
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	22,000	22,000	37,428	15,428
<b>Total Revenues</b>	22,000	22,000	37,428	15,428
<b>Expenditures</b>				
General government:				
Personal services	-	-	-	-
Operating expenses	-	-	-	-
Court-related:				
Personal services	-	-	-	-
Operating expenses	22,000	22,000	21,488	512
Capital outlay	-	-	-	-
<b>Total expenditures</b>	22,000	22,000	21,488	512
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	-	-	15,939	(15,939)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Net other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balance</b>	\$ -	\$ -	\$ 15,939	\$ (15,939)

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

The Clerk's Office operates under budget procedures pursuant to Florida Statutes. Annual budgets are legally adopted for the general fund and records modernization fund and are on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level. Budgetary changes within the funds are made at the discretion of the Clerk.

The proposed budget is also prepared, summarized and submitted by the Clerk to the Florida Clerk of Court Operations Corporation. The proposed budget must provide detailed information on the anticipated revenues available and expenditures necessary for the performance of the court-related functions listed in Florida Statute 28.35(3)(a) of the Clerk's office.

## **SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
COMBINING BASIC STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2022**

	Custodial Funds				
	Court Registry	Bond Account	Records Modernization	Suspense Account	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 155,376	\$ 36,351	\$ 33,228	\$ 312,583	\$ 537,538
<b>Total assets</b>	155,376	36,351	33,228	312,583	537,538
<b>Liabilities</b>					
Due to others	-	-	-	530	530
Due to other governments	680	321	-	109,140	110,141
<b>Total liabilities</b>	680	321	-	109,670	110,671
<b>Net Position</b>					
Restricted	-	-	-	-	-
Held for others	154,696	36,030	33,228	202,913	426,867
<b>Total net position</b>	\$ 154,696	\$ 36,030	\$ 33,228	\$ 202,913	\$ 426,867

**JEFFERSON COUNTY, FLORIDA  
CLERK OF THE CIRCUIT COURT  
COMBINING BASIC STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	Custodial Funds				
	Court Registry	Bond Account	Records Modernization	Suspense Account	Total
<b>Additions</b>					
Funds held for others	\$136,925	\$28,101	\$ 28,005	\$ 2,530,416	\$ 2,723,447
Court costs	-	-	-	5,386	5,386
<b>Total additions</b>	136,925	28,101	28,005	2,535,802	2,728,833
<b>Deductions</b>					
Funds held for others	90,975	37,901	-	2,426,695	2,555,571
Court costs	-	-	-	5,023	5,023
<b>Total deductions</b>	90,975	37,901	-	2,431,718	2,560,594
<b>Net change in fiduciary net position</b>	45,950	(9,800)	28,005	104,084	168,239
<b>Net position - beginning</b>	108,746	45,830	5,223	98,829	258,628
<b>Net position - ending</b>	\$154,696	\$36,030	\$ 33,228	\$ 202,913	\$ 426,867

## **COMPLIANCE SECTION**

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

The Honorable Kirk Reams  
Clerk of the Circuit Court, Jefferson County, Florida  
Monticello, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of each major fund and the aggregate remaining fund information of the Jefferson County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated June 30, 2023 which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinions were not modified with respect to this matter.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the Clerk'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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described below as finding No. C2008-001 and C2021-004 that we consider to be material weaknesses.



## **PRIOR YEAR FINDINGS AND RECOMMENDATIONS:**

### **Segregation of Duties – C2008-001**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not considered feasible by the Clerk's office because of its size and limited number of employees. The Clerk recognizes that the cost of its internal control structure should not exceed the benefits expected to be derived. The Clerk also recognizes the inherent limitations of an internal control structure. Mistakes and irregularities may occur in any event with or without an adequate internal control structure. Furthermore, adequate segregation of duties can be circumvented by collusion among persons. Nevertheless, internal control is strengthened when incompatible duties are separated, and review procedures are established and adhered to.

**CAUSE:** The Clerk's office has limited personnel in the accounting department.

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We recommend that the Clerk's office continue to seek ways to strengthen internal control through segregation of duties. The Clerk should document their review of transactions, bank reconciliations and financial reports to provide evidence of compensating controls.

**STATUS:** This condition continues to exist.

### **Health Insurance Benefits – C2021-004**

**CRITERIA:** The Clerk of the Court is required to submit an annual non-court budget to the BOCC to be approved. The budget should be complete and reflect the costs of operating their non-court related office. The County has been paying for the basic coverage of health insurance for all County and Constitutional Officers. Any additional coverage is not the Boards responsibility.

**CONDITION:** The Clerk's office, which operates the County's Human Resources department, has not been deducting the cost of family coverage directly from their employees and it was not reimbursing the BOCC for these costs. However, starting in July 2022, the Clerk was transferring a monthly reimbursement check to the board. On a side note, the Clerk had excess budget fees of \$76,560, this would have covered the cost of the additional coverage for the entire year.

**CAUSE:** The Human Resource department which manages all payroll and insurance for the County was not receiving a monthly reimbursement check from the Clerk's Finance department until July 2022.

**EFFECT:** The BOCC's general fund incurred expenses that were not fully reimbursed.

**RECOMMENDATION:** We recommend the Clerk's office budget the full cost of operating its non-court related activities and request these funds as part of their annual budget request.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of 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*.

**Clerk's Response to Findings**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk'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.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES,  
*LOCAL GOVERNMENT INVESTMENT POLICIES***

The Honorable Kirk Reams  
Clerk of the Circuit Court, Jefferson County, Florida  
Monticello, Florida

We have examined the Jefferson County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 28.35, FLORIDA STATUTES, *FLORIDA CLERKS OF COURT OPERATIONS  
CORPORATION*, AND 28.36, FLORIDA STATUTES, *BUDGET PROCEDURE***

The Honorable Kirk Reams  
Clerk of the Circuit Court, Jefferson County, Florida  
Monticello, Florida

We have examined the Jefferson County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2022. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied in all material respects, with the requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SECTION 61.181, FLORIDA STATUTES, *DEPOSITORY FOR  
ALIMONY TRANSACTIONS, SUPPORT, MAINTENANCE  
AND SUPPORT PAYMENTS; FEES***

The Honorable Kirk Reams  
Clerk of the Circuit Court, Jefferson County, Florida  
Monticello, Florida

We have examined the Jefferson County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees* during the year ended September 30, 2022. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

The Honorable Kirk Reams  
Clerk of the Circuit Court, Jefferson County, Florida  
Monticello, Florida

**Report on the Basic Financial Statements**

We have audited the accompanying basic financial statements of the Jefferson County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2022, and have issued our report thereon June 30, 2023.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Basic Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 30, 2023, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Significant findings and recommendations C2021-001, C2021-002, and C2021-003 made in the preceding annual financial audit report have been corrected. However significant findings and recommendations C2008-001 and C2021-004 still exist.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the basic financial statements. The Jefferson County, Florida, Clerk of the Circuit Court was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jefferson County, Florida, Clerk of the Circuit Court.

**Financial Management**

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

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the basic financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did note certain matters. See Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*.

**Purpose of the Letter**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 30, 2023





# KIRK REAMS

Jefferson County  
Clerk of Court & CFO

1 Courthouse Circle  
Monticello, FL 32344  
(850) 342-0218  
Fax (850) 342-0222

June 29, 2023

Ms. Sherrill F. Norman, CPA  
Auditor General, State of Florida  
111 West Madison Street  
Tallahassee, Florida 32399

RE: 2021-2022 Audit Report Findings

Dear Ms. Norman

In regard to the Moran & Smith, CPA County Fiscal Year 2021-2022 audit findings and recommendations of the Jefferson County Clerk of the Circuit Court, the following is our response to finding 2008-001 and 2021-004.

We agree with finding 2008-001 which states there is not an ideal separation of duties and responsibilities over certain accounting and administrative functions. Moran & Smith, CPA recognizes that some internal controls are not feasible due to the size and number of employees in our small office and our budgetary constraints. They recommended documenting our review of transactions, bank reconciliations and financial reports to provide evidence of stronger and segregated controls. We will follow their recommendations.

We agree with Finding 2021-004 which states that the Clerk's Office did not reimburse the costs of additional health care coverage over and above the single person plan for its employees during the entire CFY 21-22 Fiscal Year. The Clerk of Court directed Clerk personnel to do this, but it was not done. The Clerk of Court, upon being notified of this deficiency, began making monthly reimbursements in July 2022. This left 9 months during CFY 21-22 where this function was not performed. As stated in the finding by Moran & Smith LLP, the Clerk has transferred the remaining funds (\$49,542.60) to make the County whole and to remedy this finding. Moving forward this issue has been resolved.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

Kirk B. Reams,  
Clerk of Circuit Court & CFO  
Jefferson County





**JEFFERSON COUNTY, FLORIDA  
SHERIFF**

**BASIC FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**JEFFERSON COUNTY, FLORIDA  
SHERIFF  
SEPTEMBER 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mac McNeill  
Jefferson County Sheriff  
Monticello, Florida

### Opinions

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Jefferson County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Sheriff, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Jefferson County, Florida Sheriff and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for the portion of the major fund, and the aggregate remaining fund information, of Jefferson County, Florida that are attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Jefferson County, Florida as of September 30, 2022, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

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

#### **Other Supplementary Information**

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the Sheriff'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 included under the heading *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 Governmental Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result 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 Sheriff's internal control over financial reporting and compliance.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

	<b>General</b>	<b>Other</b>	<b>Total</b>
	<b>Fund</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 381,330	\$ -	\$ 381,330
Restricted cash and cash equivalents	-	173,206	173,206
Accounts receivable	8,812	-	8,812
Due from other governments	47,173	-	47,173
<b>Total assets</b>	<b>437,315</b>	<b>173,206</b>	<b>610,521</b>
<b>Liabilities</b>			
Accounts payable	183,904	-	183,904
Due to Board of County Commissioners	253,411	-	253,411
<b>Total liabilities</b>	<b>437,315</b>	<b>-</b>	<b>437,315</b>
<b>Fund balance</b>			
Restricted	-	173,206	173,206
<b>Total liabilities and fund balance</b>	<b>\$ 437,315</b>	<b>\$ 173,206</b>	<b>\$ 610,521</b>

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

**JEFFERSON COUNTY, FLORIDA  
SHERIFF  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Grant revenues	\$ 394,324	\$ 216,788	\$ 611,112
Charges for services	274,540	-	274,540
Other fees and miscellaneous revenues	31,074	103,028	134,102
<b>Total revenues</b>	699,938	319,816	1,019,754
<b>Expenditures</b>			
Current:			
Public safety			
Personal services	3,897,972	121,254	4,019,226
Operating expenses	1,215,404	162,181	1,377,585
Capital outlay	363,658	-	363,658
Debt service	11,197	-	11,197
<b>Total expenditures</b>	5,488,231	283,435	5,771,666
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(4,788,293)	36,381	(4,751,912)
<b>Other financing sources (uses)</b>			
Transfers in	5,041,704	-	5,041,704
Transfers out	(253,411)	-	(253,411)
Other financing sources (uses)	-	-	-
<b>Net other financing sources (uses)</b>	4,788,293	-	4,788,293
<b>Net change in fund balance</b>	-	36,381	36,381
<b>Fund balance - beginning</b>	-	136,825	136,825
<b>Fund balance - ending</b>	\$ -	\$ 173,206	\$ 173,206

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



**JEFFERSON COUNTY, FLORIDA  
SHERIFF  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash	\$ 27,491
<b>Total assets</b>	<b>27,491</b>
 <b>Liabilities</b>	
Due to others	-
<b>Total liabilities</b>	<b>-</b>
 <b>Net Position</b>	
Restricted	-
Held for others	27,491
<b>Total net position</b>	<b>\$ 27,491</b>

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

**JEFFERSON COUNTY, FLORIDA  
SHERIFF  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<b>Additions</b>	
Funds held for others	\$ 207,978
<b>Total additions</b>	<b>207,978</b>
<b>Deductions</b>	
Funds held for others	222,629
<b>Total deductions</b>	<b>222,629</b>
<b>Net change in fiduciary net position</b>	<b>(14,651)</b>
<b>Net position - beginning</b>	<b>42,142</b>
<b>Net position - ending</b>	<b>\$ 27,491</b>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies**

The basic financial statements of Jefferson County, Florida, Sheriff (the “Sheriff”) have been prepared in accordance with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB), accounting principles generally accepted in the United States of America (GAAP), and accounting practices prescribed by Chapter 10.550, *Rules of the Auditor General*, State of Florida. The more significant of the governmental accounting policies used in the preparation of these financial statements are described below.

**Reporting Entity**

Jefferson County, Florida, (the “County”) is a political subdivision of the State of Florida. The County was established under Article VIII, Section 1(d), *Constitution of the State of Florida*. It is governed by an elected Board of County Commissioners (the “Board”), as provided by Section 125.73, Florida Statutes. The Board is responsible for the administration of all departments of which the Board has the authority to control pursuant to general laws of Florida.

The Sheriff is an elected Constitutional Officer of the County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Sheriff is a separate Constitutional Officer as provided by Chapter 218, Florida Statutes. However, the Sheriff does not meet the definition of a legally separate organization and is not considered to be a component unit. Accordingly, the Sheriff is considered to be a part of the primary government of Jefferson County, Florida (the “County”), and the financial activities of the Sheriff are included as such in the Jefferson County annual financial report, along with the other Constitutional Officers and the Jefferson County Board of County Commissioners (the “Board”).

The accompanying basic financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jefferson County Sheriff’s Office.

The Sheriff is a separately elected County official established pursuant the Constitution of the State of Florida. The Sheriff’s basic financial statements do not purport to reflect the financial position or the results of operations of Jefferson County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Sheriff’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial purposes. Therefore, the Sheriff is reported as part of the primary government of Jefferson County, Florida.

These basic financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General* State of Florida, the basic financial statements consist only of the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff’s basic financial statements and as other financing uses on the Board’s financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Basis of Presentation**

The accompanying basic financial statements include all the funds and accounts of the Sheriff's office but are not a complete presentation of the County as a whole. The accompanying basic financial statements are prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(3), *Rules of the Auditor General-Local Governmental Entity Audits*.

The financial transactions of the Sheriff are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Sheriff utilizes the following fund types:

- **Major Governmental Funds**
  - **General Fund** – The general fund is the general operating fund of the Sheriff. It is used to account for all financial resources, except those required to be accounted for in another fund.
- **Nonmajor Governmental Funds**
  - **Special Revenue Fund** – Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue fund in the financial statements under the title "Other Governmental Fund":
    - **Inmate Welfare** – A special revenue fund which accounts for commissions received from pay telephones and commissary profits restricted for the benefit of inmates.
    - **Investigative Fund** – Accounts for revenues and expenditures related to various forfeitures, investigative fees and restitution.
    - **PGI Fund** – Accounts for revenues and expenditures relating to various forfeitures and fees from drug related offenses.
    - **Confiscated Funds** – Accounts for revenues and expenditures relating to various forfeitures and fees from drug related offenses.
    - **Charitable Contribution Fund** - Accounts for revenues and expenditures relating to public donations to assist the less fortunate.
- **Fiduciary Funds**
  - **Custodial Funds** – are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments.

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**Basis of Accounting**

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

Major revenue sources susceptible to accrual include intergovernmental revenues and grant revenues. In general, charges for services and other revenue are recognized as earned.

The fiduciary funds statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Sheriff’s policy to use the restricted resources first, then unrestricted resources as needed.

**Budgetary Requirements**

Florida Statutes, Chapter 30.49 and 129.03(2), details the preparation, adoption and administration of the Sheriff’s annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

The Sheriff’s annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (concluded)**

**Capital Assets and Depreciation**

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost in the capital asset accounts of the County. The Sheriff's assets are reported in the Statement of Net Assets in the County's financial statements. The Sheriff maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment     3-30 years

**Accumulated Compensated Absences**

Permanent full-time employees of the Sheriff are entitled to earn vacation and sick time depending on the length of employment. Upon termination, employees can be paid up to 80 hours of vacation time and 25% of their unused sick leave.

The Sheriff's accumulated compensated absences are reported in the statement of net assets in the County's financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

**Due to Others**

This account is used to account for assets held by the Sheriff in a trustee capacity for other governmental agencies or individuals.

**Risk Management and Insurance**

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage.

The Sheriff provides coverage for workers' compensation through the Board.

In addition, the Sheriff participates in the Florida Sheriff's Association's Self-insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage.

**Management Estimates and Assumptions**

The preparation of basic financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the basic financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the basic financial statements were available to be issued.

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 2 – Change in Accounting Principle**

In fiscal year 2022, the Sheriff implemented GASB statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this statement.

**Note 3 – Deposits and Investments**

At September 30, 2022, the carrying amount of the Sheriff's cash and cash equivalents, restricted cash, and custodial cash was \$582,027. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposit may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act.

In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Sheriff to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Sheriff to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**Credit Risk**

At September 30, 2022, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

**Interest Rate Risk**

At September 30, 2022, the Sheriff did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

At September 30, 2022, the Sheriff did not hold any deposits or investments that were considered to have custodial risk.

**Concentration of Credit Risk**

At September 30, 2022, the Sheriff did not have any investments that were considered to have a concentration of credit risk.



**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 4 – Long-term Liability for Compensated Absences**

The Sheriff has a long-term liability of \$164,359 for accrued compensated absences, management estimates that \$41,090 will be due and payable within one year. The liability is not reported in the basic financial statements of the Sheriff since it is not payable from available resources at September 31, 2022. The liability is reported on the statement of net position in the County-wide financial statements.

**Note 5 – Pension and Postemployment Benefits Other Than Pension Benefits**

**Florida Retirement System (FRS) Pension Benefits**

The Sheriff participates in the Florida Retirement System to provide benefits to their employees. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

**Postemployment Benefits Other Than Pensions**

The Sheriff participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

**Note 6 – Grants**

The Sheriff participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2022, as well as prior years, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Sheriff's compliance with the applicable grant requirements will be established at a future date.

The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

**Note 7 – Litigation and Contingent Liabilities**

The Sheriff is involved in various litigation arising from ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Sheriff's financial position.

**Note 8 – Excess Revenue**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County General Fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures of \$253,411 were returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out.

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 9 – Fund Equity**

The Sheriff implemented the provisions of GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) in 2012, as required.

The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned.

- **Nonspendable-** This component of fund balance consists of amounts that cannot be spent because (a) they are not expected to be converted to cash or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Sheriff does not have any nonspendable funds.
- **Restricted-** This component of fund balance consists of amounts that are constrained either (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by the law through constitutional provisions or enabling legislation.
- **Committed-** This component of fund balance consists of amounts that can be used for specific purposes to constraints imposed by formal action (e.g., ordinance or resolution) of the County's governing body. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g. ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned-** This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Sheriff has not delegated the responsibility to assign fund balances to any individual body.
- **Unassigned-** This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed or assigned.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**YEAR ENDED SEPTEMBER 30, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
<b>Revenues</b>				
Grant revenues	\$ 214,404	\$ 625,587	\$ 394,324	\$ (231,263)
Charges for services	-	-	274,540	274,540
Other fees and miscellaneous revenues	-	-	31,074	31,074
<b>Total revenues</b>	<b>214,404</b>	<b>625,587</b>	<b>699,938</b>	<b>74,351</b>
<b>Expenditures</b>				
Current:				
Public safety				
Personal services	3,722,757	3,643,988	3,897,972	253,984
Operating expenses	968,190	1,136,212	1,215,404	79,192
Capital outlay	28,500	339,963	363,658	23,695
Debt service	-	10,467	11,197	730
<b>Total expenditures</b>	<b>4,719,447</b>	<b>5,130,630</b>	<b>5,488,231</b>	<b>357,601</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,505,043)</b>	<b>(4,505,043)</b>	<b>(4,788,293)</b>	<b>(283,250)</b>
<b>Other financing sources (uses)</b>				
Transfers in	4,505,043	4,505,043	5,041,704	536,661
Transfers out	-	-	(253,411)	(253,411)
Other financing sources (uses)	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>4,505,043</b>	<b>4,505,043</b>	<b>4,788,293</b>	<b>283,250</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**YEAR ENDED SEPTEMBER 30, 2022**

The Sheriff's Office operates under budget procedures pursuant to Florida Statutes. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budget for the Sheriff's General Fund is a "legally adopted" budget, whereas the budget for the Sheriff's Special Revenue Funds is prepared and used solely as an internal management tool and is not considered "legally adopted". The legal level of budgetary control is at the fund level.

## **OTHER SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
SHERIFF  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022**

	<b>Emergency Operations Center</b>	<b>Inmate Welfare Fund</b>	<b>Investigative Fund</b>	<b>PGI Fund</b>	<b>Charitable Contribution Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>						
Restricted cash and cash equivalents	\$ 43,762	\$ 94,921	\$ 28,962	\$ -	\$ 5,561	\$ 173,206
<b>Total assets</b>	<b>43,762</b>	<b>94,921</b>	<b>28,962</b>	<b>-</b>	<b>5,561</b>	<b>173,206</b>
<b>Liabilities</b>						
Accounts payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance - restricted</b>	<b>43,762</b>	<b>94,921</b>	<b>28,962</b>	<b>-</b>	<b>5,561</b>	<b>173,206</b>
<b>Total liabilities and fund balances</b>	<b>\$ 43,762</b>	<b>\$ 94,921</b>	<b>\$ 28,962</b>	<b>\$ -</b>	<b>\$ 5,561</b>	<b>\$ 173,206</b>

**JEFFERSON COUNTY, FLORIDA  
SHERIFF  
COMBINING BASIC STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	Emergency Operations Center	Inmate Welfare Fund	Investigative Fund	PGI Fund	Charitable Contribution Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>						
Grant revenues	\$ 216,788	\$ -	\$ -	\$ -	\$ -	\$ 216,788
Other fees and miscellaneous revenues	4,292	46,105	50,180	-	2,451	103,028
<b>Total Revenues</b>	<b>221,080</b>	<b>46,105</b>	<b>50,180</b>	<b>-</b>	<b>2,451</b>	<b>319,816</b>
<b>Expenditures</b>						
Public safety						
Personal services	121,254	-	-	-	-	121,254
Operating expenses	125,198	8,974	25,115	-	2,894	162,181
<b>Total Expenditures</b>	<b>246,452</b>	<b>8,974</b>	<b>25,115</b>	<b>-</b>	<b>2,894</b>	<b>283,435</b>
Excess (deficiency) of revenues over (under) expenditures	(25,372)	37,131	25,065	-	(443)	36,381
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(25,372)</b>	<b>37,131</b>	<b>25,065</b>	<b>-</b>	<b>(443)</b>	<b>36,381</b>
<b>Fund balance - beginning</b>	<b>69,134</b>	<b>57,790</b>	<b>3,897</b>	<b>-</b>	<b>6,004</b>	<b>136,825</b>
<b>Fund balance - ending</b>	<b>\$ 43,762</b>	<b>\$ 94,921</b>	<b>\$ 28,962</b>	<b>\$ -</b>	<b>\$ 5,561</b>	<b>\$ 173,206</b>



**JEFFERSON COUNTY, FLORIDA**  
**SHERIFF**  
**COMBINING BASIC STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>		
	<b>Civil Process</b>	<b>Commissary</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 2,960	\$ 24,531	\$ 27,491
<b>Total assets</b>	<b>2,960</b>	<b>24,531</b>	<b>27,491</b>
<b>Liabilities</b>			
Due to others	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>			
Restricted	-	-	-
Held for others	2,960	24,531	27,491
<b>Total net position</b>	<b>\$ 2,960</b>	<b>\$ 24,531</b>	<b>\$ 27,491</b>

**JEFFERSON COUNTY, FLORIDA  
SHERIFF  
COMBINING BASIC STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>		
	<b>Civil Process</b>	<b>Commissary</b>	<b>Total</b>
<b>Additions</b>			
Funds held for others	\$ 13,060	\$ 194,918	\$ 207,978
<b>Total additions</b>	13,060	194,918	207,978
<b>Deductions</b>			
Funds held for others	13,750	208,879	222,629
<b>Total deductions</b>	13,750	208,879	222,629
<b>Net change in fiduciary net position</b>	(690)	(13,961)	(14,651)
<b>Net position - beginning</b>	3,650	38,492	42,142
<b>Net position - ending</b>	\$ 2,960	\$ 24,531	\$ 27,491

## **COMPLIANCE SECTION**

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

The Honorable Mac McNeill  
Jefferson County Sheriff  
Monticello, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the Jefferson County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 27, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described below as finding Sheriff 2008-001 that we consider to be a significant deficiency.

## **PRIOR YEAR FINDINGS AND RECOMMENDATIONS:**

### **Need for Segregation of Duties - Sheriff 2008-001**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff's assets.

**CAUSE:** The Sheriff has limited personnel in the accounting department.

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated, and review procedures are established and adhered to. We also recommend the Sheriff log in to the bank's website and review the original bank statement.

**STATUS:** This condition continues to exist.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's basic financial statements are free of 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 basic 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 Sheriff'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.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE  
WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES,  
*LOCAL GOVERNMENT INVESTMENT POLICIES***

The Honorable Mac McNeill  
Jefferson County Sheriff  
Monticello, Florida

We have examined the Jefferson County, Florida, Sheriff's (the "Sheriff") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE  
WITH THE REQUIREMENTS OF SECTION 365.172(10) and 3635.173(2)(d), FLORIDA STATUTES**

The Honorable Mac McNeill  
Jefferson County Sheriff  
Monticello, Florida

We have examined the Jefferson County, Florida, Sheriff's (the "Sheriff") compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) funds*, during the year ended September 30, 2022. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mac McNeill  
Jefferson County Sheriff  
Monticello, Florida

### Report on the Financial Statements

We have audited the basic financial statements of the Jefferson County, Florida, Sheriff (the "Sheriff"), as of and for the year ended September 30, 2022, and have issued our report thereon June 27, 2023.

### Auditors' Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 27, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have not been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Prior Year Findings and Recommendations".

### Official Title and Legal Authority

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

### Financial Management

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



**Additional Matters**

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

**Purpose of the Letter**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023



# Mac McNeill, Sheriff

## Jefferson County Sheriff's Office

171 Industrial Park  
Monticello, Florida 32344  
Phone: (850) 997-2523  
Fax: (850) 997-0756



August 1, 2023

Mr. Chris Moran, CPA  
Moran & Smith LLP  
2260 Wednesday St., Ste 400  
Tallahassee, FL 32308

RE: 2021-22 Audit Report Findings

Dear Mr. Moran,

In regards to the Moran & Smith CPA Special Purpose Financial Statements Fiscal Year 2021-2022 audit findings and recommendations of the Jefferson County Sheriff's Office, the following are our responses to finding 2008-01.

We agree with finding 2008-01 which states there is not an ideal separation of duties and responsibilities over accounting functions. Moran & Smith recommended that we continue to seek ways to strengthen internal controls. Due to the size and budgetary constraints of our office, we may not be able to completely eliminate this issue without hiring additional administrative staff, but we can increase command staff supervision and review of financial transactions. As per Mr. Moran's recommendation, last year we added full online bank access for the sheriff to review all transactions and bank statements directly, as well as a second signatory line for checks issued from our General Fund. In this fiscal year we have implemented a requirement that all new vendors and purchases go through a final review and approval process by our chief deputy before payment can be issued.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mac McNeill", is written over the typed name and title.

Sheriff Mac McNeill  
Jefferson County, Florida

MM/see

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR**

**BASIC FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
SEPTEMBER 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Lois H. Hunter  
Jefferson County Tax Collector  
Monticello, Florida

### Opinions

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Jefferson County, Florida Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Jefferson County, Florida Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida. In conformity with the Rules, accompanying financial statements are intended to present the financial position and changes in financial position of the major fund, and the aggregate remaining fund information, only for the portion of the major fund, and the aggregate remaining fund information, of Jefferson County, Florida that are attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Jefferson County, Florida as of September 30, 2022, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

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

#### **Other Supplementary Information**

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the Tax Collector'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 included under the heading *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 Governmental Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result 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 Tax Collector's internal control over financial reporting and compliance.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**



**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
BASIC BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2022**

	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 233,658
Due from other funds	241,342
<b>Total assets</b>	<b>475,000</b>
<b>Liabilities</b>	
Accounts payable	14,836
Due to Board of County Commisioners	460,164
<b>Total liabilities</b>	<b>475,000</b>
<b>Fund balance</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 475,000</b>

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

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
BASIC STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2022**

	<b>General Fund</b>
<b>Revenues</b>	
Charges for services	\$ 939,763
Miscellaneous	16,267
<b>Total revenues</b>	<b>956,030</b>
<b>Expenditures</b>	
General government	
Personal services	361,091
Operating expenses	134,775
Capital outlay	-
<b>Total expenditures</b>	<b>495,866</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>460,164</b>
<b>Other financing sources (uses)</b>	
Transfers out	(460,164)
<b>Net other financing sources (uses)</b>	<b>(460,164)</b>
<b>Net change in fund balance</b>	<b>-</b>
<b>Fund balance - beginning</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ -</b>

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

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
BASIC STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 4,331,682
<b>Total assets</b>	<u>4,331,682</u>
<b>Liabilities</b>	
Deposits	298,375
Due to other governments	4,004,477
Due to others	28,830
<b>Total liabilities</b>	<u>4,331,682</u>
<b>Net Position</b>	
Restricted	-
Held for others	-
<b>Total net position</b>	<u><u>\$ -</u></u>

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

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
BASIC STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>
<hr/>	
<b>Additions</b>	
Property taxes collected for other governments	\$ 13,953,714
Funds held for others	51,714,577
<b>Total additions</b>	<hr/> 65,668,291 <hr/>
 <b>Deductions</b>	
Property taxes distributed to other governments	14,049,096
Funds held for others	51,619,195
<b>Total deductions</b>	<hr/> 65,668,291 <hr/>
 <b>Net change in fiduciary net position</b>	 <hr/> - <hr/>
 <b>Net position - beginning</b>	 <hr/> - <hr/>
 <b>Net position - ending</b>	 <hr/> \$ - <hr/>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies**

**Reporting Entity**

The Office of the Jefferson County Tax Collector (the “Tax Collector”) is an integral part of the Jefferson County, Florida (“County”) and is an elected Constitutional Office that is governed by state statutes and regulations. The financial statements of the Tax Collector are included in Jefferson County, Florida’s basic financial statements. The Tax Collector operates on a fee system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Any excess funds after the end of the fiscal year are distributed to each governmental unit in the same proportion as the fees paid by that governmental unit to the total fee income.

The Tax Collector’s basic financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (the “Rules”). These basic financial statements are the fund financial statements prepared in accordance with generally accepted accounting principles (“GAAP”). However, these fund financial statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, management’s discussion and analysis, or the pension or other postemployment benefit related required supplementary information. Also, certain notes to basic financial statements may supplement rather than duplicate the notes included in the County’s financial statements. In conformity with the Rules, the accompanying basic financial statements are intended to present the financial position and changes in financial position of the major fund and the aggregate remaining fund information, only for the portion of the major fund, and the aggregate remaining fund information of Jefferson County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present the financial position of Jefferson County, Florida, as of September 30, 2022, and the changes in its financial position, for the fiscal year then ended in accordance with GAAP.

**Basis of Presentation**

These basic financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The financial statements for the County as a whole, which includes the funds of the Tax Collector, were prepared in conformity with generally accepted accounting principles in the United States of America.

The Tax Collector utilizes the following fund type:

- **Governmental Fund:**
  - **General Fund** – The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except those required to be accounted for in another fund.
- **Fiduciary Fund:**
  - **Custodial Funds** – The custodial fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other funds, and other governments. The Tax Collector reports Boats and Licenses, Tag, Tax, and Driver’s License transactions in the custodial fund.

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**Basis of Accounting**

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The fiduciary fund statements are prepared using the economic resource measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Tax Collector’s policy to use restricted resources first, then unrestricted resources as needed.

**Budgets and Budgetary Accounting**

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes Chapter 195.087. The budgeted revenues and expenditures in the accompanying basic financial statements reflect all amendments, approved by the Florida Department of Revenue and Board of County Commissioners. On or before June 1 of each year, the Tax Collector shall submit to the Department of Revenue a budget for the operation of their office for the ensuing fiscal year. The Department of Revenue and Board of County Commissioners must approve the final budget.

The actual results of operations in the Basic Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund are presented on a budgetary basis for budgetary accounting purposes. The Tax Collector only budgeted revenues and expenditures appropriated and approved by the Board of County Commissioners.

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Capital Assets and Depreciation**

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector's assets are reported in the Statement of Net Position in the County's financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by their office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment     3-30 years

**Accumulated Compensated Absences**

The Tax Collector maintains a policy that permits permanent full-time employees to accumulate earned but unused personal leave hours that will be paid to employees upon separation if certain criteria are met. These benefits, plus their related tax and retirement cost are classified as compensated absences. Employees may be paid for unused personal leave hours accrued up to a maximum amount in accordance with the personnel policy.

The Tax Collector's accumulated compensated absences are reported in the Statement of Net Position in the County's financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

**Property Tax Collections**

Chapter 197, Florida Statutes, governs property tax collections.

- **Current Taxes**

All property taxes become due and payable on November 1 and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

- **Unpaid Taxes – Sale of Tax Certificates**

The Tax Collector advertises, as required by Florida Statutes, and then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

- **Tax Deeds**

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for the tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Court administers these sales.



**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (concluded)**

**Risk Management and Insurance**

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employee and/or the public; or damage to property of others. The Tax Collector is covered under the Board of County Commissioners insurance policies. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made in the last year.

**Management Estimates and Assumptions**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the basic financial statements were available to be issued.

**Fund Balance Reporting**

The Tax Collector has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components:

- **Nonspendable**—This component of fund balance consists of amounts that cannot be spent because (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Tax Collector does not have any nonspendable funds.
- **Restricted**—This component of fund balance consists of amounts that are constrained either externally by third parties (creditors, grantors, contributors, laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County's governing body. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization's governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Tax Collector has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed or assigned.

**JEFFERSON COUNTY, FLORIDA**  
**TAX COLLECTOR**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 2 – Recently Issued Accounting Pronouncement**

In fiscal year 2022, the Tax Collector implemented GASB statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this statement.

**Note 3 – Deposits and Investments**

At September 30, 2022, the carrying amount of the Tax Collector's cash and cash equivalents was \$233,658 in the general fund and \$4,331,682 in the custodial funds. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposit may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Tax Collector to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Tax Collector to invest bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**Credit Risk**

At September 30, 2022, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

**Interest Rate Risk**

At September 30, 2022, the Tax Collector did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

At September 30, 2022, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

**Concentration of Credit Risk**

At September 30, 2022, the Tax Collector did not have any investments that were considered to have a concentration of credit risk.

**Note 4 – Long-term Liability for Compensated Absences**

The Tax Collector has a long-term liability of \$8,058 for accrued compensated absences, management estimates that \$2,015 will be due and payable within one year. The liability is not reported in the basic financial statements of the Tax Collector since it is not payable from available resources at September 30, 2022. The liability is reported on the Statement of Net Position in the County-wide financial statements.

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 5 – Pension and Postemployment Benefits Other Than Pension Benefits**

**Florida Retirement System (FRS) Pension Benefits**

The Tax Collector participates in the Florida Retirement System to provide benefits to their employees. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

**Postemployment Benefits Other Than Pensions**

The Tax Collector participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

**Note 6 – Excess Revenue**

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, “is returned to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector.” For the year ended September 30, 2022, excess revenues over expenditures of \$460,164 are accrued and reported as a transfer out.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
BASIC STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final Budget Favorable (Unfavorable)</u>
<b>Revenues</b>				
Charges for services	\$ -	\$ -	\$ 939,763	\$ 939,763
Miscellaneous	-	-	16,267	16,267
<b>Total revenues</b>	-	-	956,030	956,030
<b>Expenditures</b>				
General government				
Personal services	404,327	404,327	361,091	(43,236)
Operating expenses	144,300	144,300	134,775	(9,525)
Capital outlay	40,000	40,000	-	(40,000)
<b>Total expenditures</b>	588,627	588,627	495,866	(92,761)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(588,627)	(588,627)	460,164	1,048,791
<b>Other financing sources (uses)</b>				
Transfers out	-	-	(460,164)	(460,164)
<b>Net other financing sources (uses)</b>	-	-	(460,164)	(460,164)
<b>Net change in fund balances</b>	<b>\$ (588,627)</b>	<b>\$ (588,627)</b>	<b>\$ -</b>	<b>\$ 588,627</b>

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

The Tax Collector's Office operates under budget procedures pursuant to Florida Statutes. An annual budget is adopted for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

## **OTHER SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING BASIC STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>		
	<b>Property Tax Fund</b>	<b>Tag Fund</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 379,209	\$ 3,952,473	\$ 4,331,682
<b>Total assets</b>	<b>379,209</b>	<b>3,952,473</b>	<b>4,331,682</b>
<b>Liabilities</b>			
Deposits	298,375	-	298,375
Due to other governments	52,004	3,952,473	4,004,477
Due to others	28,830	-	28,830
<b>Total liabilities</b>	<b>379,209</b>	<b>3,952,473</b>	<b>4,331,682</b>
<b>Net Position</b>			
Restricted	-	-	-
Held for others	-	-	-
<b>Total net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**JEFFERSON COUNTY, FLORIDA  
TAX COLLECTOR  
COMBINING BASIC STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2022**

	<b>Custodial Funds</b>		
	<b>Property Tax Fund</b>	<b>Tag Fund</b>	<b>Total</b>
<b>Additions</b>			
Property taxes collected for other governments	\$ 13,953,714	\$ -	\$ 13,953,714
Funds held for others	95,382	51,619,195	51,714,577
<b>Total additions</b>	<b>14,049,096</b>	<b>51,619,195</b>	<b>65,668,291</b>
<b>Deductions</b>			
Property taxes distributed to other governments	14,049,096	-	14,049,096
Funds held for others	-	51,619,195	51,619,195
<b>Total deductions</b>	<b>14,049,096</b>	<b>51,619,195</b>	<b>65,668,291</b>
<b>Net change in fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## **COMPLIANCE SECTION**

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

The Honorable Lois H. Hunter  
Jefferson County Tax Collector  
Monticello, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the major fund and the aggregate remaining fund information of the Jefferson County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2022, and the related notes to the basic financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated June 27, 2023 which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinions were not modified with respect to this matter.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tax Collector's basic financial statements are free of 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 basic 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*.

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

**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 Tax Collector'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.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE  
WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES,  
*LOCAL GOVERNMENT INVESTMENT POLICIES***

The Honorable Lois H. Hunter  
Jefferson County Tax Collector  
Monticello, Florida

We have examined the Jefferson County, Florida, Tax Collector's (the "Tax Collector") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*  
Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Lois H. Hunter  
Jefferson County Tax Collector  
Monticello, Florida

### Report on the Basic Financial Statements

We have audited the accompanying basic financial statements and the aggregate remaining fund information of the Jefferson County, Florida, Tax Collector (the "Tax Collector"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2023.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 27, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jefferson County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jefferson County, Florida, Tax Collector.

### Financial Management

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

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**  
***(Concluded)***

**Additional Matters**

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

**Purpose of the Letter**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER**

**BASIC FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**



**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER  
SEPTEMBER 30, 2022**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Angela C. Gray  
Property Appraiser of Jefferson County, Florida  
Monticello, Florida

### **Opinions**

We have audited the accompanying financial statements of the general fund of the Jefferson County, Florida Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Jefferson County, Florida Property Appraiser and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, only for the portion of the major fund of Jefferson County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Jefferson County, Florida as of September 30, 2022, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023, on our consideration of the Property Appraiser'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 included under the heading *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 Governmental Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result 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 Property Appraiser's internal control over financial reporting and compliance.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

## **BASIC FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER  
BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2022**

	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,021
<b>Total assets</b>	<b>2,021</b>
<b>Liabilities</b>	
Accounts payable	2,021
<b>Total liabilities</b>	<b>2,021</b>
<b>Fund balance</b>	
Committed	-
Assigned	-
<b>Total fund balance</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 2,021</b>

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

**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
SEPTEMBER 30, 2022**

	<b>General Fund</b>
<b>Revenues</b>	
Governmental	
Charges for services	\$ 26,063
Intergovernmental	6,102
<b>Total revenues</b>	<b>32,165</b>
<b>Expenditures</b>	
General government	
Personal services	549,878
Operating expenses	129,461
Capital outlay	9,578
Debt services	6,778
<b>Total expenditures</b>	<b>695,695</b>
<b>Deficiency of revenues over (under) expenditures</b>	<b>(663,530)</b>
<b>Other financing sources (uses)</b>	
Transfers in	663,530
<b>Net other financing sources</b>	<b>663,530</b>
<b>Net change in fund balance</b>	<b>-</b>
<b>Fund balance - beginning</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ -</b>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**



**JEFFERSON COUNTY, FLORIDA**  
**PROPERTY APPRAISER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of the significant principles and policies used in the preparation of the accompanying financial statements.

**Reporting Entity**

Jefferson County, Florida, (the “County”) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the “Board”), as provided by Section 125.73, Florida Statutes. The Board is responsible for the administration of all departments of which the Board has the authority to control pursuant to general laws of Florida.

The Jefferson County, Florida, Property Appraiser (the “Property Appraiser”) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of the County. The Property Appraiser is responsible for the administration and the operation of the Property Appraiser’s office, and the Property Appraiser’s financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jefferson County Property Appraiser’s Office.

The Property Appraiser is a separate elected County official established pursuant to the Constitution of the State of Florida. The Property Appraiser’s financial statements do not purport to reflect the financial position or the results of operations of Jefferson County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Property Appraiser’s office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial purposes. Therefore, the Property Appraiser is reported as part of the primary government of Jefferson County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General*, State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentation of *government-wide* financial statements of the Property Appraiser.

The operations of the Property Appraiser are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Property Appraiser’s financial statements and as other financial uses on the Board’s financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year end.

**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Basis of Presentation**

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Property Appraiser, were prepared in conformity with accounting principles generally accepted in the United States of America.

The Property Appraiser utilizes the following fund type:

- **General Fund** – The general fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except those required to be accounted for in another fund.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**Basis of Accounting**

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for service and investment revenue are recorded as earned.

When both restricted and unrestricted resources are available for use, it is the Property Appraiser’s policy to use restricted resources first, then unrestricted resources as needed.

**Budgetary Requirements**

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in *Florida Statutes*.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Budgetary control is exercised at the expenditure classification level (personnel services, operating expenditures and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Property Appraiser. Amendments between expenditure classifications must be

**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

submitted to the State of Florida Department of Revenue for approval. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

**Capital Assets and Depreciation**

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser's assets are reported in the Statement of Net Assets in the County's financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by their office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment     3-30 years

**Accumulated Compensated Absences**

The Property Appraiser maintains a policy that permits permanent full-time employees to accumulate earned but unused personal leave hours that will be paid to employees upon separation if certain criteria are met. These benefits, plus their related tax and retirement cost are classified as compensated absences. Employees may be paid for unused personal leave hours accrued up to a maximum amount in accordance with the personnel policy.

The Property Appraiser's accumulated compensated absences are reported in the statement of net assets in the County's financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

**Risk Management and Insurance**

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employee and/or the public; or damage to property of others. The Property Appraiser is covered under the Board of County Commissioners insurance policies. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made in the last year.

**Management Estimates and Assumptions**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 27, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**JEFFERSON COUNTY, FLORIDA**  
**PROPERTY APPRAISER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (concluded)**

**Fund Balance Reporting**

Governmental funds report fund balances and are classified either as non-spendable, or as spendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

- **Non-spendable** – Amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted**—Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislations.
- **Committed**—Amounts that are constrained for specific purposes imposed by the Property Appraiser’s formal action of highest level of decision-making authority.
- **Assigned**—Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.
- **Unassigned** – Represents the residual positive fund balance within the General Fund that has not been restricted, committed, or assigned.

It is the Property Appraiser’s intent to first spend restricted amounts when both restricted and unrestricted fund balances are available.

**Recently Issued Accounting Pronouncement**

In fiscal year 2022, the Property Appraiser implemented GASB statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this statement.

**Note 2 – Deposits and Investments**

On September 30, 2022, the carrying amount of the Property Appraiser’s cash and cash equivalents was \$2,021 and the bank balance was \$42,014. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida’s Public Deposit Act. Provisions of the Act require that public deposit may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Property Appraiser to invest in certificates of deposit, repurchase agreements, and the State Treasurer’s Investment Pool. In addition, the statutes allow the Property Appraiser to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 2 – Deposits and Investments (concluded)**

**Credit Risk**

At September 30, 2022, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

**Custodial Credit Risk**

At September 30, 2022, the Property Appraiser did not hold any deposits or investments that were considered to have custodial credit risk.

**Interest Rate Risk**

At September 30, 2022, the Property Appraiser did not hold any deposits or investments that were considered to have interest rate risk.

**Concentration of Credit Risk**

At September 30, 2022, the Property Appraiser did not hold any deposits or investments that were considered to have concentration of credit risk.

**Note 3 – Long-term Liability for Notes Payable and Compensated Absences**

The Property Appraiser has a long-term liability of \$15,533 for accrued compensated absences, management estimates that \$3,883 will be due and payable within one year.

The Property Appraiser's office borrowed new debt of \$27,623 to purchase a new truck in fiscal year 2020. During the 2022 year the final payments of \$6,778 were paid leaving a September 30, 2022 balance of \$0.

The liability is not reported in the financial statements of the Property Appraiser since it is not payable from available resources on September 30, 2022. The liability is reported on the Statement of Net Position and is included in the general long term debt footnote in the County-wide financial statements.

**Note 4 – Pension and Postemployment Benefits Other Than Pension Benefits**

**Florida Retirement System (FRS) Pension Benefits**

The Property Appraiser participates in the Florida Retirement System to provide benefits to their employees. A detailed plan description and any liability for employees of the Property Appraiser are included in the financial statements of the County.

**Postemployment Benefits Other Than Pensions**

The Property Appraiser participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Property Appraiser are included in the financial statements of the County.

**Note 5 – Excess Revenue**

Pursuant to Section 218.36(2), Florida Statutes, each Constitutional Officer shall pay into the County General Fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. There were no excess revenues for the current fiscal year.

**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 6 – Fund Equity**

Spendable fund balances are classified based on a hierarchy of the Property Appraiser's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2022, the Property Appraiser reports net assets as restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Unassigned fund balance is the residual classification for the Property Appraiser's fund balances. The Property Appraiser had no unassigned fund balance at September 30, 2022.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
PROPERTY APPRAISER  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
SEPTEMBER 30, 2022**

	General Fund			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Final Budget</u>
			<u>(Budgetary</u>	<u>Favorable</u>
			<u>Basis)</u>	<u>(Unfavorable)</u>
<b>Revenues</b>				
Charges for services	\$ 26,063	\$ 26,063	\$ 26,063	\$ -
Intergovernmental	6,102	6,102	6,102	-
<b>Total revenues</b>	<b>32,165</b>	<b>32,165</b>	<b>32,165</b>	<b>-</b>
<b>Expenditures</b>				
General government				
Personal services	551,290	551,290	549,878	(1,412)
Operating expenses	127,244	127,244	129,461	2,217
Capital outlay	9,956	9,956	9,578	(378)
Debt services	7,205	7,205	6,778	(427)
<b>Total expenditures</b>	<b>695,695</b>	<b>695,695</b>	<b>695,695</b>	<b>-</b>
<b>Deficiency of revenues</b>				
<b>over (under) expenditures</b>	<b>(663,530)</b>	<b>(663,530)</b>	<b>(663,530)</b>	<b>-</b>
<b>Other financing sources (uses)</b>				
Transfers in	663,530	663,530	663,530	-
<b>Net other financing sources (uses)</b>	<b>663,530</b>	<b>663,530</b>	<b>663,530</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**JEFFERSON COUNTY, FLORIDA**  
**PROPERTY APPRAISER**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**SEPTEMBER 30, 2022**

The Property Appraiser's Office operates under budget procedures pursuant to Florida Statutes. An annual budget is adopted for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

## **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 *GOVERNMENT AUDITING STANDARDS***

The Honorable Angela C. Gray  
Jefferson County Property Appraiser  
Monticello, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Jefferson County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements and have issued our report thereon dated June 27, 2023, which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinion was not modified with respect to this matter.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control 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.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of 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 the 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 Property Appraiser'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.



Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

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

The Honorable Angela C. Gray  
Jefferson County Property Appraiser  
Monticello, Florida

We have examined the Jefferson County, Florida, Property Appraiser's (the "Property Appraiser") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

*Moran & Smith LLP*  
Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Angela C. Gray  
Jefferson County Property Appraiser  
Jefferson County, Florida

### Report on the Basic Financial Statements

We have audited the accompanying financial statements of the Jefferson County, Florida, Property Appraiser (the "Property Appraiser"), as of and for the year ended September 30, 2022, and have issued our report thereon June 27, 2023, which contains an emphasis of matter to refer to a basis of accounting required for compliance with state filing requirements, however, our report is not modified with respect to this matter.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 27, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

**Financial Management**

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

**Additional Matters**

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

**Purpose of the Letter**

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

A handwritten signature in cursive script that reads "Moran & Smith LLP".

Moran & Smith LLP  
Tallahassee, Florida  
June 27, 2023

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS**

**BASIC FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**



**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
SEPTEMBER 30, 2022**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Michelle Milligan  
Jefferson County Supervisor of Elections  
Monticello, Florida

### **Opinions**

We have audited the accompanying financial statements of the general fund of the Jefferson County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Supervisor of Elections, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Jefferson County, Florida Supervisor of Elections and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of the major fund, only for the portion of the major fund of Jefferson County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Jefferson County, Florida as of September 30, 2022, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule – General Fund, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the basic financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023, on our consideration of the Supervisor of Elections' 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 included under the heading *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 Governmental Auditing Standards*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result 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 Supervisor of Elections' internal control over financial reporting and compliance.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 21, 2023

## **BASIC FINANCIAL STATEMENTS**

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
BALANCE SHEET – GENERAL FUND  
SEPTEMBER 30, 2022**

	<b>General Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 2,479
Restricted cash	215
<b>Total assets</b>	<b>2,694</b>
 <b>Liabilities</b>	
Accounts payable	581
Due to Board of County Commissioners	1,898
<b>Total liabilities</b>	<b>2,479</b>
 <b>Fund balance - restricted for security grant</b>	<b>215</b>
 <b>Total liabilities and fund balance</b>	<b>\$ 2,694</b>

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

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GENERAL FUND  
SEPTEMBER 30, 2022**

	<b>General Fund</b>
<b>Revenues</b>	
Grant revenue	\$ 160,106
Miscellaneous income	191
<b>Total revenues</b>	<b>160,297</b>
<b>Expenditures</b>	
General government	
Personal services	283,019
Operating expenses	309,945
<b>Total expenditures</b>	<b>592,964</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(432,667)</b>
<b>Other financing sources (uses)</b>	
Transfers in	434,780
Transfers out	(1,898)
<b>Net other financing sources (uses)</b>	<b>432,882</b>
<b>Net change in fund balance</b>	<b>215</b>
<b>Fund balance - beginning</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 215</b>

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**



**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of the significant principles and policies used in the preparation of the accompanying financial statements.

**Reporting Entity**

Jefferson County, Florida, (the “County”) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the “Board”), as provided by Section 125.73, Florida Statutes. The Board is responsible for the administration of all departments of which the Board has the authority to control pursuant to general laws of Florida.

The Jefferson County, Florida Supervisor of Elections (the “Supervisor of Elections”) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of the County. The Supervisor of Elections is responsible for the administration and the operation of the Supervisor of Elections’ office, and the Supervisor of Elections’ financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County.

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jefferson County Supervisor of Elections’ Office.

The Supervisor of Elections is a separate elected County official established pursuant to the Constitution of the State of Florida. The Supervisor of Elections’ financial statements do not purport to reflect the financial position or the results of operations of Jefferson County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Supervisor of Elections’ office is operationally autonomous from the Board of County Commissioners (the “Board”), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial purposes. Therefore, the Supervisor of Elections is reported as part of the primary government of Jefferson County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General*, State of Florida, the financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentation of *government-wide* financial statements of the Supervisor of Elections.

The operations of the Supervisor of Elections are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections’ financial statements and as other financing uses on the Board’s financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Basis of Presentation**

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Supervisor of Elections, were prepared in conformity with accounting principles generally accepted in the United States of America.

The Supervisor of Elections utilizes the following fund type:

- **General Fund** – The general fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except those required to be accounted for in another fund.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**Basis of Accounting**

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned. When both restricted and unrestricted resources are available for use, it is the Supervisor of Elections’ policy to use the restricted resources first, the unrestricted resources as needed.

**Budgetary Requirements**

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in *Florida Statutes*.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund. Budgetary control is exercised at the expenditure classification level (personnel services, operating expenditures and capital outlay). Budgetary changes within expenditure classification are made at the discretion of the Supervisor of Elections. Amendments between expenditure classifications must be submitted to the State of Florida Department of Revenue for approval. The budgeted revenues and expenditures in the accompanying financial statements reflect all approved amendments.

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

**Capital Assets and Depreciation**

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections' assets are reported in the Statement of Net Assets in the County's financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by their office.

Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, machinery, and equipment     3-30 years

**Accumulated Compensated Absences**

The Supervisor of Elections maintains a policy that permits permanent full-time employees to accumulate earned but unused personal leave hours that will be paid to employees upon separation if certain criteria are met. These benefits, plus their related tax and retirement cost are classified as compensated absences. Employees may be paid for unused personal leave hours accrued up to a maximum amount in accordance with the personnel policy.

The Supervisor of Elections accumulated compensated absences are reported in the statement of net assets in the County's financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

**Risk Management and Insurance**

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employee and/or the public; or damage to property of others. The Supervisor of Elections is covered under the Board of County Commissioners insurance policies. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made in the last year.

**Management Estimates and Assumptions**

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 21, 2023 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 1 – Summary of Significant Accounting Policies (concluded)**

**Fund Balance Reporting**

Governmental funds report fund balances and are classified either as non-spendable, or as spendable. Spendable fund balances are further classified based on the extent to which there are external and internal constraints on the spending of these fund balances. These classifications are described as follows:

- **Non-spendable** – Amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.
- **Restricted**—Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislations.
- **Committed**—Amounts that are constrained for specific purposes imposed by the Supervisor’s formal action of highest level of decision-making authority.
- **Assigned**—Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.
- **Unassigned** – Represents the residual positive fund balance within the General Fund that has not been restricted, committed, or assigned.

It is the Supervisor’s intent to first spend restricted amounts when both restricted and unrestricted fund balances are available.

**Recently Issued Accounting Pronouncement**

In fiscal year 2022, the Supervisor of Elections implemented GASB statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. There were no significant impacts of implementing this statement.

**Note 2 – Deposits and Investments**

**Cash Deposits**

On September 30, 2022, the carrying amount of the Supervisor of Elections’ cash and cash equivalents was \$2,694 and the bank balance was \$18,170. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida’s Public Deposit Act. Provisions of the Act require that public deposit may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Supervisor of Elections to invest in certificates of deposit, repurchase agreements, and the State Treasurer’s Investment Pool. In addition, the statutes allow the Supervisor of Elections to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**Note 2 – Deposits and Investments (concluded)**

**Credit Risk**

At September 30, 2022, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

**Interest Rate Risk**

At September 30, 2022, the Supervisor of Elections did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

At September 30, 2022, the Supervisor of Elections did not hold any deposits or investments that were considered to have custodial credit risk.

**Concentration of Credit Risk**

At September 30, 2022, the Supervisor of Elections did not have any investments that were considered to have a concentration of credit risk.

**Note 3 – Long-term Liability for Compensated Absences**

The Supervisor of Elections has a long-term liability of \$132 for accrued compensated absences, management estimates that \$33 will be due and payable within one year. The liability is not reported in the financial statements of the Supervisor of Elections since it is not payable from available resources at September 30, 2022. The liability is reported on the Statement of Net Position in the County-wide financial statements.

**Note 4 – Pension and Postemployment Benefits Other Than Pension Benefits**

**Florida Retirement System (FRS) Pension Benefits**

The Supervisor of Elections participates in the Florida Retirement System to provide benefits to their employees. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County. The obligations and disclosures required under GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB No 27, are accounted for and disclosed in the County's financial statements.

**Postemployment Benefits Other Than Pensions**

The Supervisor of Elections participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

**Note 5 – Excess Revenue**

Pursuant to Statute 218.36(2), Florida Statutes, each Constitutional Officer shall pay into the County General Fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures in the amount of \$1,898 were returned to the Board of County Commissioners as required by Florida Statutes after year end.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
SEPTEMBER 30, 2022**

<b>General Fund</b>				
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Grant revenue	\$ -	\$ -	\$ 160,106	\$ 160,106
Miscellaneous income	-	-	191	191
<b>Total revenues</b>	-	-	160,297	160,297
<b>Expenditures</b>				
General government				
Personal services	205,400	205,400	283,019	77,619
Operating expenses	174,439	174,439	309,945	135,506
<b>Total expenditures</b>	379,839	379,839	592,964	213,125
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(379,839)	(379,839)	(432,667)	(52,828)
<b>Other financing sources (uses)</b>				
Transfers in	379,839	379,839	434,780	54,941
Transfers out	-	-	(1,898)	(1,898)
<b>Net other financing sources (uses)</b>	379,839	379,839	432,882	53,043
<b>Net change in fund balance</b>	\$ -	\$ -	\$ 215	\$ 215

**JEFFERSON COUNTY, FLORIDA  
SUPERVISOR OF ELECTIONS  
NOTES TO BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
SEPTEMBER 30, 2022**

The Supervisor of Elections' Office operates under budget procedures pursuant to Florida Statutes. An annual budget is adopted for the general fund on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.



## **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 *GOVERNMENT AUDITING STANDARDS***

The Honorable Michelle Milligan  
Jefferson County Supervisor of Elections  
Monticello, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Jefferson County, Florida, Supervisor of Elections (the "Supervisor of Elections") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements and have issued our report thereon dated June 21, 2023, which contains an emphasis of matter referring to a basis of presentation required for compliance with state reporting requirements. Our opinion was not modified with respect to this matter.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control 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 may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described below as findings No. SOE2008-01 and SOE2008-02 that we consider to be significant deficiencies.

## **Prior Year Findings and Recommendations:**

### **Need for Segregation of Duties - SOE2008-01**

**CRITERIA:** The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

**CONDITION:** There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Supervisor of Elections' assets.

**CAUSE:** The Supervisor of Elections has limited personnel in the accounting department.

**EFFECT:** The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

**RECOMMENDATION:** We realize that due to the size of the Supervisor of Elections' administrative staff, it is difficult to achieve ideal separation of duties. However, the Supervisor of Elections should remain very active and involved in the day-to-day operations. Controls should be implemented to help compensate for these weaknesses and to provide checks and balances.

**MANAGEMENT RESPONSE:** The condition continues to exist.

### **Preparation of GAAP-Based Financial Statements - SOE2008-02**

**CRITERIA:** An entity's system of internal control over financial reporting should include controls over the prevention, detection and correction of misstatements in the audited financial statements.

**CONDITION:** The Supervisor of Elections relies on the external auditor to assist with preparing the financial statements in conformity with generally accepted accounting principles.

**CAUSE:** The Supervisor of Elections does not have an individual on staff with the accounting education and experience to prepare financial statements in accordance with generally accepted accounting principles (GAAP).

**EFFECT:** The fact the Supervisor of Elections does not have someone on staff to prepare the financial statements in accordance with generally accepted accounting principles and to record complex accounting transactions results in a significant deficiency under professional standards.

**RECOMMENDATION:** We understand that the cost-benefit of hiring someone with the expertise is not practical, therefore; we recommend the Supervisor of Elections continue to request outside assistance.

**MANAGEMENT RESPONSE:** The condition continues to exist.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free of 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 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 Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Moran & Smith LLP". The script is cursive and elegant, with the letters "M", "S", and "L" being particularly prominent.

Moran & Smith LLP  
Tallahassee, Florida  
June 21, 2023

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

The Honorable Michelle Milligan  
Jefferson County Supervisor of Elections  
Monticello, Florida

We have examined the Jefferson County, Florida Supervisor of Elections' (the "Supervisor of Elections") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor of Elections complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with specific requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2022.

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

*Moran & Smith LLP*  
Moran & Smith LLP  
Tallahassee, Florida  
June 21, 2023

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Michelle Milligan  
Jefferson County Supervisor of Elections  
Monticello, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Jefferson County, Florida Supervisor of Elections (the "Supervisor of Elections"), as of and for the year ended September 30, 2022, and have issued our report thereon June 21, 2023, which contains an emphasis of matter to refer to a basis of accounting required for compliance with state filing requirements, however, our report is not modified with respect to this matter.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 21, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This item was disclosed in the notes to the financial statements. The Supervisor of Elections was established by the Constitution of the State of Florida, article VIII Section 1(d). The Supervisor of Elections has no component units.

**Financial Condition and Management**

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

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we issued a schedule of findings all of which are considered significant deficiencies.

**Purpose of the Letter**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
June 21, 2023



Michelle Milligan, Supervisor of Elections  
1175 W. Washington Street  
Monticello, FL 32344

RE: Management's Response

Auditor General's Office  
Post Office Box 1735  
Tallahassee, FL 32302

Dear Sir or Madam:

This is in reply to the auditor's findings reported in my audit for the year ending September 30, 2022.

I agree with the auditor's findings and recommendations, however, with the financial pressures and lack of funding, I have found the cost/benefit ratio is far too great for this office to employ more personnel to have adequate segregation of duties and to prepare our own financial statements. In an attempt to rectify the deficiencies, I will continue to utilize procedures to help mitigate the lack of segregation of duties. Accordingly, I will continue to review bank statements prior to giving them to the person responsible for bank reconciliations. I will sign all checks and review supporting documentation.

I will continue to utilize Moran & Smith LLC to provide financial advice on certain issues when necessary and we will also continue to use Moran & Smith LLC to prepare the annual financial audit report. I do not have the expertise or the resources to prepare the year-end audit report. I do not have access to all GAAP disclosures and other accounting pronouncements. I will continue assisting in the audit report preparation and review the draft for approval.

Please feel free to contact me if you have any questions.

Sincerely,

Michelle Milligan  
Jefferson County Supervisor of Elections