

**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 2003**

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PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

February 24, 2004

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Members of  
the Board of County Commissioners  
The County of Jefferson, Florida

We have audited the financial statements of the governmental activities, major funds, and remaining fund information, which collectively comprise the basic financial statements, of the County of Jefferson, Florida ("County") as of and for the year ended September 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major funds, and remaining fund information of the County of Jefferson, Florida, at September 30, 2003, and the changes in financial position, where applicable, of those activities and funds and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplemental information required by the GASB. The County of Jefferson, Florida, has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the County's basic financial statements. The accompanying schedule of federal and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the *Rules of the Auditor General* of the State of Florida, and the *Florida Single Audit Act*, and the combining and individual fund statements and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 24, 2004, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in assessing the results of our audit.

*Beth, Ragan, Schuch, & Jones*



**JEFFERSON COUNTY, FLORIDA  
STATEMENT OF NET ASSETS  
September 30, 2003**

	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Current assets:		
Cash, including time deposits	\$ 2,852,237	\$ 2,852,237
Investments	1,153,025	1,153,025
Accrued interest receivable	11,029	11,029
Accounts receivable	291,371	291,371
Due from other agencies	108,595	108,595
Due from other governments	997,055	997,055
Inventory of supplies	133,717	133,717
Total current assets	5,547,029	5,547,029
Noncurrent assets:		
Capital assets (net)	8,455,768	8,455,768
Total assets	14,002,797	14,002,797
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	233,909	233,909
Capital lease obligations	116,651	116,651
Public improvement revenue bonds payable	125,000	125,000
Total current liabilities	475,560	475,560
Noncurrent liabilities:		
Capital lease obligations	340,066	340,066
Public improvement revenue bonds payable	2,971,000	2,971,000
Total noncurrent liabilities	3,311,066	3,311,066
Total liabilities	3,786,626	3,786,626
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	4,903,051	4,903,051
Restricted for:		
Debt service	225,575	225,575
Capital projects	469,142	469,142
Law enforcement	454,572	454,572
Solid waste	330,704	330,704
Fire safety	353,680	353,680
Local government criminal justice	73,377	73,377
Emergency communications	257,523	257,523
Unrestricted	3,148,547	3,148,547
Total net assets	\$ 10,216,171	\$ 10,216,171

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
Year ended September 30, 2003

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Fees, Fines and Charges for Services	Operating Grants and Contributions	
<b>Governmental activities:</b>				
<b>General government:</b>				
Board of County Commissioners	\$ 411,747	\$ -	\$ -	\$ (411,747)
Tax Collector	337,150	251,226	-	(85,924)
Property Appraiser	372,432	5,976	-	(366,456)
Clerk of the Circuit Court	393,910	126,131	-	(267,779)
Supervisor of Elections	148,270	1,225	-	(147,045)
Other general government	773,881	2,524	-	(771,357)
<b>Total general government</b>	<b>2,437,390</b>	<b>387,082</b>	<b>-</b>	<b>(2,050,308)</b>
<b>Transportation:</b>				
County roads and bridges	1,632,193	33,067	-	(1,599,126)
<b>Public safety and judiciary:</b>				
Ambulance service	722,282	423,197	-	(299,085)
Law enforcement	2,423,750	342,815	195,027	(1,885,908)
Fire	311,271	335,633	-	24,362
County jail	394,195	-	-	(394,195)
Emergency management	180,703	-	126,604	(54,099)
State attorney	17,297	-	-	(17,297)
Public defender	19,146	-	-	(19,146)
Building inspection	105,173	188,137	-	82,964
Other public safety and judiciary	58,663	-	24,724	(33,939)
<b>Total public safety and judiciary</b>	<b>4,232,480</b>	<b>1,289,782</b>	<b>346,355</b>	<b>(2,596,343)</b>
<b>Health and sanitation:</b>				
Health department	135,259	-	121,449	(13,810)
Refuse and solid waste	1,564,977	847,773	199,549	(517,655)
Indigent health care	225,748	-	-	(225,748)
Mental health	15,000	-	-	(15,000)
<b>Total health and sanitation</b>	<b>1,940,984</b>	<b>847,773</b>	<b>320,998</b>	<b>(772,213)</b>
<b>Economic development:</b>				
Chamber of commerce/economic development	40,000	-	-	(40,000)
Housing assistance	1,237,160	-	1,084,995	(152,165)
Job training	32,332	-	2,891	(29,441)
Food distribution	4,970	-	5,627	657
Community development	288,799	-	305,099	16,300
Agriculture/soil conservation	149,743	-	-	(149,743)
<b>Total economic development</b>	<b>1,753,004</b>	<b>-</b>	<b>1,398,612</b>	<b>(354,392)</b>

**JEFFERSON COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
Year ended September 30, 2003**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Fees, Fines and Charges for Services	Operating Grants and Contributions	
Veterans affairs:				-
Veterans affairs	18,708	-	-	(18,708)
Total veterans affairs	<u>18,708</u>	<u>-</u>	<u>-</u>	<u>(18,708)</u>
Culture and recreation:				-
Library	256,796	-	126,744	(130,052)
Recreation	129,025	-	58,693	(70,332)
Total culture and recreation	<u>385,821</u>	<u>-</u>	<u>185,437</u>	<u>(200,384)</u>
Total governmental activities	<u>\$ 12,400,580</u>	<u>\$ 2,557,704</u>	<u>\$ 2,251,402</u>	<u>(7,591,474)</u>
General revenues:				
Taxes:				
Ad valorem				3,309,106
Sales				495,669
E-911 taxes				115,184
Gasoline				1,078,708
Intergovernmental				1,948,137
Miscellaneous				<u>194,839</u>
Total general revenues				<u>7,141,643</u>
				Change in net assets (449,831)
				Net assets - beginning of the year <u>10,666,002</u>
				Net assets - end of the year <u>\$ 10,216,171</u>

**JEFFERSON COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2003**

	General Fund	County Transportation Trust Fund	Fine & Forfeiture Fund	Solid Waste Trust Fund	Capital Projects Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash	\$ 33,614	\$ 79,233	\$ 372,761	\$ -	\$ 1,130,927	\$ 955,532	\$ 280,170	\$ 2,852,237
Investments	458,376	680,222	14,427	-	-	-	-	1,153,025
Accrued interest receivable	91	15	6,514	-	4,409	-	-	11,029
Accounts receivable	291,371	-	-	-	-	-	-	291,371
Due from other agencies	-	-	108,595	-	-	-	-	108,595
Due from other funds	-	-	494,660	346,926	-	-	1,181,842	2,023,428
Due from other governments	537,982	141,193	-	30,434	-	203,422	84,024	997,055
Loan to other fund	238,063	-	-	-	-	-	-	238,063
Inventory of supplies	-	133,717	-	-	-	-	-	133,717
<b>Total assets</b>	<b>\$ 1,559,497</b>	<b>\$ 1,034,380</b>	<b>\$ 996,957</b>	<b>\$ 377,360</b>	<b>\$ 1,135,336</b>	<b>\$ 1,158,954</b>	<b>\$ 1,546,036</b>	<b>\$ 7,808,520</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 121,419	\$ 9,869	\$ 20,924	\$ 46,656	\$ -	\$ 34,151	\$ 890	\$ 233,909
Due to other funds	323,817	887,341	-	-	666,194	91,481	54,595	2,023,428
Loan from other fund	-	-	-	-	-	238,063	-	238,063
<b>Total liabilities</b>	<b>445,236</b>	<b>897,210</b>	<b>20,924</b>	<b>46,656</b>	<b>666,194</b>	<b>363,695</b>	<b>55,485</b>	<b>2,495,400</b>
<b>FUND BALANCES</b>								
Reserved for:								
Inventories	-	133,717	-	-	-	-	-	133,717
Special law enforcement trust	-	-	28,428	-	-	-	-	28,428
Court education trust	-	-	89,567	-	-	-	-	89,567
Communications trust	-	-	336,577	-	-	-	-	336,577
Unreserved, reported in:								
General fund	1,114,261	-	-	-	-	-	-	1,114,261
County transportation trust fund	-	3,453	-	-	-	-	-	3,453
Grants fund	-	-	-	-	-	795,259	-	795,259
Solid waste trust fund	-	-	-	330,704	-	-	-	330,704
Fine & forfeiture fund	-	-	521,461	-	-	-	-	521,461
Capital projects fund	-	-	-	-	469,142	-	-	469,142
Debt service fund	-	-	-	-	-	-	225,575	225,575
Special revenue funds	-	-	-	-	-	-	1,264,976	1,264,976
<b>Total fund balances</b>	<b>1,114,261</b>	<b>137,170</b>	<b>976,033</b>	<b>330,704</b>	<b>469,142</b>	<b>795,259</b>	<b>1,490,551</b>	<b>5,313,120</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,559,497</b>	<b>\$ 1,034,380</b>	<b>\$ 996,957</b>	<b>\$ 377,360</b>	<b>\$ 1,135,336</b>	<b>\$ 1,158,954</b>	<b>\$ 1,546,036</b>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$32,052,550

8,455,768

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Capital lease obligations  
Public Improvement Revenue Bonds

(456,717)  
(3,096,000)

Net assets of governmental activities

\$ 10,216,171

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2003**

	General Fund	County Transportation Trust Fund	Fine and Forfeiture Fund	Solid Waste Trust Fund	Capital Projects Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Taxes	\$ 2,648,495	\$ 736,902	\$ 660,611	\$ -	\$ -	\$ -	\$ 952,659	\$ 4,998,667
Licenses and permits	188,137	-	-	-	-	-	-	188,137
Intergovernmental	1,459,352	946,999	195,027	199,549	-	1,398,612	-	4,199,539
Charges for services	881,787	33,067	13,020	-	-	-	-	927,874
Fines and costs	-	-	329,795	-	-	-	29,028	358,823
Miscellaneous	10,985	24,776	40,375	783,910	51,800	1,957	363,906	1,277,709
Total revenues	<u>5,188,756</u>	<u>1,741,744</u>	<u>1,238,828</u>	<u>983,459</u>	<u>51,800</u>	<u>1,400,569</u>	<u>1,345,593</u>	<u>11,950,749</u>
<b>EXPENDITURES</b>								
Current:								
General government:								
Board of county commissioners	411,747	-	-	-	-	-	-	411,747
County attorney	28,049	-	-	-	-	-	-	28,049
County coordinator	105,332	-	-	-	-	-	-	105,332
Property appraiser	372,432	-	-	-	-	-	-	372,432
Tax collector	337,150	-	-	-	-	-	-	337,150
Clerk of the circuit court	415,669	-	-	-	-	-	-	415,669
Supervisor of elections	148,270	-	-	-	-	-	-	148,270
County planning	89,734	-	-	-	-	-	-	89,734
Other general government	121,191	-	-	-	-	-	-	121,191
Total general government	<u>2,029,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,029,574</u>
Transportation:								
County roads and bridges	-	1,865,661	-	-	-	-	-	1,865,661
Total transportation	<u>-</u>	<u>1,865,661</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,865,661</u>
Public safety and judiciary:								
Law enforcement	-	-	2,461,965	-	-	-	-	2,461,965
State attorney	17,297	-	-	-	-	-	-	17,297
Public defender	19,146	-	-	-	-	-	-	19,146
Court reporters	27,582	-	-	-	-	-	-	27,582
Fire control and safety	11,279	-	-	-	-	259,884	-	271,163
County jail	394,195	-	-	-	-	-	-	394,195
Building inspection	105,173	-	-	-	-	-	-	105,173
Construction licensing	4,655	-	-	-	-	-	-	4,655
Emergency management	160,232	-	-	-	-	20,471	-	180,703
Ambulance service	722,282	-	-	-	-	-	-	722,282
Medical examiner	26,426	-	-	-	-	-	-	26,426
Total public safety and judiciary	<u>1,488,267</u>	<u>-</u>	<u>2,461,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,355</u>	<u>4,230,587</u>

**JEFFERSON COUNTY, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2003**

	General Fund	County Transportation Trust Fund	Fine and Forfeiture Fund	Solid Waste Trust Fund	Capital Projects Fund	Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>Health and sanitation:</b>								
Health department	135,259	-	-	-	-	-	-	135,259
Mental health	15,000	-	-	-	-	-	-	15,000
Refuse and solid waste	306,588	-	-	1,388,315	-	-	-	1,694,903
Indigent health care	225,748	-	-	-	-	-	-	225,748
Total health and sanitation	<u>682,595</u>	<u>-</u>	<u>-</u>	<u>1,388,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,070,910</u>
<b>Economic development:</b>								
Chamber of commerce	5,000	-	-	-	-	-	-	5,000
Economic development	35,000	-	-	-	-	-	-	35,000
Housing assistance	-	-	-	-	-	1,237,160	-	1,237,160
Job training	-	-	-	-	-	32,332	-	32,332
Food distribution	-	-	-	-	-	4,970	-	4,970
Community development	-	-	-	-	-	288,799	-	288,799
Agriculture/soil conservation	149,743	-	-	-	-	-	-	149,743
Total economic development	<u>189,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,563,261</u>	<u>-</u>	<u>1,753,004</u>
<b>Veterans affairs:</b>								
Veterans affairs	18,708	-	-	-	-	-	-	18,708
Total veterans affairs	<u>18,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,708</u>
<b>Culture and recreation:</b>								
Library	256,796	-	-	-	-	-	-	256,796
Recreation	123,667	-	-	-	5,358	-	-	129,025
Total culture and recreation	<u>380,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,358</u>	<u>-</u>	<u>-</u>	<u>385,821</u>
<b>Debt service:</b>								
Principal	-	-	-	-	-	-	295,000	295,000
Interest	-	-	-	-	-	-	274,398	274,398
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,398</u>	<u>569,398</u>
<b>Capital outlay</b>								
Total expenditures	<u>4,789,350</u>	<u>1,865,661</u>	<u>2,461,965</u>	<u>1,388,315</u>	<u>5,358</u>	<u>1,563,261</u>	<u>993,588</u>	<u>13,067,498</u>
Excess (deficiency) of revenues over expenditures	<u>399,406</u>	<u>(123,917)</u>	<u>(1,223,137)</u>	<u>(404,856)</u>	<u>46,442</u>	<u>(162,692)</u>	<u>352,005</u>	<u>(1,116,749)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	20,000	-	1,384,029	456,323	-	-	340,000	2,200,352
Transfers out	(1,401,781)	(294,500)	-	-	-	-	(504,071)	(2,200,352)
Total other financing sources and (uses)	<u>(1,381,781)</u>	<u>(294,500)</u>	<u>1,384,029</u>	<u>456,323</u>	<u>-</u>	<u>-</u>	<u>(164,071)</u>	<u>-</u>
Net change in fund balances	(982,375)	(418,417)	160,892	51,467	46,442	(162,692)	187,934	(1,116,749)
Fund balance - beginning	2,096,636	421,870	815,141	279,237	422,700	957,951	1,302,617	6,296,152
Fund balance - ending	<u>\$ 1,114,261</u>	<u>\$ 3,453</u>	<u>\$ 976,033</u>	<u>\$ 330,704</u>	<u>\$ 469,142</u>	<u>\$ 795,259</u>	<u>\$ 1,490,551</u>	<u>\$ 5,179,403</u>

**JEFFERSON COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2003**

Reconciliation of the change in fund balances - total governmental funds  
to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds	\$ (1,116,749)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	1,006,627
Depreciation expense	(733,627)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:	
Capital lease obligation principal payments	98,918
Public Improvement Revenue Bond principal payments	120,000
Series 1992 Road Bond principal payments	<u>175,000</u>
Change in Net Assets of governmental Activities	<u>\$ (449,831)</u>

**JEFFERSON COUNTY, FLORIDA  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
September 30, 2003**

	<b><u>Agency Funds</u></b>
<b>ASSETS</b>	
Cash	\$ <u>627,779</u>
Total assets	\$ <u>627,779</u>
<b>LIABILITIES</b>	
Due to other agencies	\$ 377,932
Deposits held in escrow	<u>249,847</u>
Total liabilities	\$ <u>627,779</u>



## The County of Jefferson, Florida

### NOTES TO FINANCIAL STATEMENTS

September 30, 2003

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Jefferson, Florida 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 11,000 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 VII, 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 governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units 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.

#### 1. Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the 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. The County may be financially accountable if an organization is fiscally

## The County of Jefferson, Florida

### NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2003

dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any, should be included in the County's financial statements. Management determined that the Jefferson County Recreation Board and the Library Board are not considered part of the reporting entity of the Board of County Commissioners (BCC) because the BCC exercises no oversight responsibility and has no accountability for fiscal matters of those entities.

#### **2. Basis of Presentation**

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the County. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 program. 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. The County has presented the following major governmental funds:

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

**General Fund-**

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 funds. 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.

**County Transportation Trust Fund-**

County Transportation Trust Fund is a special revenue fund used to account for the gasoline and fuel taxes that are restricted for specific purposes.

**Fine and Forfeiture Fund-**

Fine and Forfeiture Fund is a special revenue fund utilized to account for fines, forfeitures and specific ad valorem taxes levied within this fund. Resources in this fund are restricted to use for law enforcement.

**Solid Waste Trust Fund-**

Solid Waste Trust Fund is a special revenue fund utilized to account for the operations of solid waste collection and disposal and the operations of the County landfill closure.

**Capital Projects Fund-**

Capital Projects Fund is used to account for funds received and expended for construction, renovation, expansion and major improvement of various County facilities, acquisition of land and other large nonrecurring projects.

**Grants Fund-**

Grants Fund is a special revenue fund used to account for the receipt and expenditure of federal and state grants for economic development, jobs training, low income housing and energy assistance, food distribution and other grant purposes.

## The County of Jefferson, Florida

### NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2003

#### 3. 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 in 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 due.

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.

#### 4. Budgetary Control

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

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

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.

The County operates under a budgetary system wherein the Board of County Commissioners adopts a budget each year for the overall financial operation 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 revenue sharing proceeds, federal grants, gasoline taxes and special assessments.

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 County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit counties to levy property taxes at a rate of up to 10 mills. The tax levy of Jefferson County is established by the County Commission prior to October 1 of each year. The 2002 millage rate assessed by the County was 10 mills.

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

All taxes are due and 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. The 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.

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

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.

**5. Cash and Investments**

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 year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

**6. Receivables and Payables**

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.

**7. Restricted Assets**

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

**8. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, and similar items), are reported in the governmental activities column on the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of one year. Except for roads and bridges, assets are recorded at historical cost. Roads and bridges are reported at estimated historical cost. 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 an asset or materially extend its useful life are not capitalized.

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

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

The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the Board's governmental activities capital assets in the statement of net assets.

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

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

**9. Capitalization of Interest**

Interest costs related to bond issues and other financing arrangements are capitalized during the construction period. These costs are netted against applicable interest earnings on construction fund investments. The County did not have any capitalized interest during the current period.

**10. Landfill Closure 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 is expected to be \$117,669 per year for the next 20 years. The above estimate of post closure costs is based upon information provided by environmental engineers and consultants under contract with the County. The Solid Waste Trust Fund is a special revenue fund maintained by the County to accumulate the assets necessary to fund the post closure liabilities referenced above. The County maintains an escrow account to fund post closure costs annually.

**11. Compensated Absences**

Employees of the Board of County Commissioners are granted ten days per year of annual leave. Annual leave may not be accumulated over ten days. Upon termination of employment, the employee can receive a cash benefit based upon the employee's current wage rate and the annual leave not taken.

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

Sick leave is granted at the same rate as annual leave with a thirty day maximum accumulation. Employees who have ten years of service or longer can receive a cash benefit of 25% of accumulated sick leave upon termination.

The Board does not accrue a liability for annual/sick leave cash benefits because the amount cannot be reasonably estimated and it will not be liquidated with current resources.

**NOTE B – CASH AND INVESTMENTS**

All bank accounts of the Board are placed in banks that qualify as a public depository, as required by law (Florida Security for Public Deposits Act, Chapter 280, Florida Statutes).

Chapter 280 of the Florida Statutes provides that qualified public depositories must maintain eligible collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the county agency's name, nor specify which collateral is held for the county agency's benefit. The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the county agency for any deposits not covered by depository insurance or collateral pledged by the depository, as previously described. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

The Board's carrying amount of cash deposits was \$2,852,237 and the bank balances were \$3,198,184 at September 30, 2003. These balances are considered to be 100% insured for risk disclosure purposes.

Investments are recorded at cost which approximates market value and are comprised of funds on deposit with the State Board of Administration and the State Treasurer's office which earn interest at variable rates.



**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

**NOTE C - ACCOUNTS RECEIVABLE**

Accounts receivable are ambulance receivables and are presented without the normal allowance for estimated uncollectible accounts because all accounts over two years old have been removed from the books by specific action of the Board of County Commissioners. Accordingly, the balance presented is considered to be fully collectible as of September 30, 2003, and no further allowance is considered necessary. Bad debt expense for the year was \$206,296.

**NOTE D - INVENTORY OF SUPPLIES**

Inventories of supplies are recorded under the purchases 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 E - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2003, was as follows:

	<u>Balance at</u> <u>9/30/2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>9/30/2003</u>
Governmental activities:				
Land	\$ 659,059	\$ 12,104	\$ -	\$ 671,103
Buildings & improvements	7,396,492	-	29,351	7,367,141
Equipment	5,835,245	839,907	245,777	6,429,375
Infrastructure	<u>26,040,640</u>	<u>-</u>	<u>-</u>	<u>26,040,640</u>
Totals at historical cost	<u>39,931,436</u>	<u>852,011</u>	<u>275,128</u>	<u>40,508,259</u>
Less accumulated depreciation:				
Buildings & improvements	(1,554,163)	(184,072)	-	(1,738,235)
Equipment	(3,724,120)	(549,555)	-	(4,273,675)
Infrastructure	<u>(26,040,640)</u>	<u>-</u>	<u>-</u>	<u>(26,040,640)</u>
Total accumulated depreciation	<u>(31,318,923)</u>	<u>(733,627)*</u>	<u>-</u>	<u>(32,052,550)</u>
Governmental activities capital				
Assets, net	<u>\$ 8,612,513</u>	<u>\$ 118,384</u>	<u>\$ 275,188</u>	<u>\$ 8,455,709</u>

The County of Jefferson, Florida

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2003

\*Depreciation expense was charged to governmental activities as follows:

General government:	
Board of County Commissioners	\$206,746
Property Appraiser	14,216
Clerk of the Circuit Court	12,189
Supervisor of Elections	16,476
General government	<u>1,789</u>
Total general government	<u>251,416</u>
Transportation:	
County road department	<u>165,296</u>
Public safety and judiciary:	
Ambulance service	35,925
Law enforcement	128,505
Fire department	37,270
Emergency management	16,947
Building inspection	<u>1,443</u>
Total public safety and judiciary	<u>220,090</u>
Health and sanitation:	
Refuse and solid waste	<u>76,292</u>
Economic development:	
Grants department	4,193
Agriculture/soil conservation	<u>8,688</u>
Total economic development	<u>12,881</u>
Culture and recreation:	
Recreation	1,264
Library	<u>6,388</u>
Total culture and recreation	<u>7,652</u>
Total depreciation expense	<u>\$ 733,627</u>

**NOTE F - LONG-TERM DEBT**

The county's long-term debt is to be repaid from governmental activities only.

Items of equipment were acquired in prior years under various installment purchase obligations bearing interest at 5.5% to 5.84% per annum. These obligations require monthly and annual installments of various amounts and expire at various dates through March, 2010.

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

The County issued its \$3,440,000 Jefferson County, Florida, Public Improvement Revenue Bond, Series 1999. The bond is dated October 20, 1999 and pays interest at 4.5% annually thereafter on each September 1. Principal is payable annually on September 1, 2001 and each September 1 thereafter in amounts varying from \$110,000 in 2001 up to \$253,000 on September 1, 2020. The Bond was issued to finance the cost of the acquisition, construction and equipping of a criminal justice facility under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, Chapter 218, Part VI, Florida Statutes, Chapters 550 and 551, Florida Statutes, and other applicable provisions of the law, and a resolution duly adopted by the Jefferson County Board of County Commissioners on May 7, 1998, as amended and supplemented. The Bond and the interest thereon are payable solely from and secured by a lien upon and a pledge of (i) the amount of the local government half-cent sales tax distributed by the State to the Issuer, (ii) the amount of pari-mutual tax revenues distributed to the Issuer and (iii) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the manner and to the extent described in the Resolution. It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced thereby shall not constitute a lien upon any property of the Issuer, but shall constitute a lien only on, and shall be payable solely from, the Pledged Funds.

The changes in general long-term debt for the year ended September 30, 2003 follows:

	<u>Balance</u> <u>9/30/2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/2003</u>
Installment obligations	\$ 221,849	\$ 333,786	\$ 98,918	\$ 456,717
Revenue bond	<u>3,216,000</u>	<u>-</u>	<u>120,000</u>	<u>3,096,000</u>
	<u>\$3,437,849</u>	<u>\$ 333,786</u>	<u>\$ 218,918</u>	<u>\$3,552,717</u>

The County of Jefferson, Florida

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2003

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of September 30, 2003 are as follows:

Year ended September 30:	<u>Governmental Activities</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$116,651	\$16,757	\$ 125,000	\$139,320
2005	103,632	11,083	131,000	133,695
2006	78,935	6,187	137,000	127,800
2007	82,175	2,971	143,000	121,635
2008	75,324	2,568	149,000	115,200
2009-2013	-	-	853,000	469,080
2014-2018	-	-	1,063,000	259,155
2019-2020	-	-	495,000	33,660
<b>Totals</b>	<u>\$456,717</u>	<u>\$39,566</u>	<u>\$3,096,000</u>	<u>\$1,399,545</u>

NOTE G – 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 statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund, or other funds, to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Operating transfers during the year ended September 30, 2003 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund:		
Fine & Forfeiture fund	\$ -	\$ 899,958
Solid Waste Trust Fund	-	456,323
Nonmajor governmental	<u>20,000</u>	<u>45,500</u>
Total General Fund	<u>\$ 20,000</u>	<u>\$1,401,781</u>
County Transportation Trust Fund:		
Nonmajor governmental	<u>-</u>	<u>294,500</u>
Fine & Forfeiture Fund:		
General Fund	899,958	-
Nonmajor governmental	<u>484,071</u>	<u>-</u>
Total Fine & forfeiture Fund	<u>1,384,029</u>	<u>-</u>

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

Solid Waste Trust Fund		
General Fund	<u>456,323</u>	<u>-</u>
Total Nonmajor Funds	<u>340,000</u>	<u>504,071</u>
Grand Totals	<u>\$2,200,352</u>	<u>\$2,200,352</u>

Individual fund interfund receivable and payable balances at September 30, 2003 were:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Fine and Forfeiture Fund	\$494,660	\$ -
General Fund		323,817
County Transportation Trust Fund	-	887,341
Capital Projects Fund	-	666,194
Grants Fund	-	91,481
Solid Waste Trust Fund	346,926	-
Nonmajor Governmental Funds	<u>1,181,842</u>	<u>54,595</u>
	<u>\$2,023,428</u>	<u>\$2,023,428</u>

**NOTE H - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- 1) Deficit fund balances of individual funds. There were no individual funds that had a deficit fund balance at September 30, 2003.
- 2) Excesses of expenditures over appropriations in individual funds. During the 2002-2003 fiscal year, there were no funds with excesses of expenditures over appropriations.

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

**NOTE I - CONTINGENCIES**

The County has potential exposure in connection with one Circuit Court suit and loss exposure from the Government Risk Insurance Trust, which the County no longer is a member of. The Circuit Court suit should be settled within the limits of the County's insurance coverage, in the opinion of Counsel.

**NOTE J - CONSTRUCTION COMMITMENTS**

The Board of County Commissioners approved \$3,600,000 of Jefferson County Road Bonds issued through the Division of Bond Finance of the State Board of Administration in 1992. These funds are to be used to pave specific roads in the County. The County has spent approximately \$3,283,192 of these funds on road construction and improvements to date.

**NOTE K - RETIREMENT PROGRAM**

All regular employees of the County are covered by State-administered, cost-sharing multiple-employer public employee defined benefit retirement plans. Participating employers include all State departments, counties, district school boards, and community colleges. Many municipalities and special districts have elected to be participating employers. Employees who earn benefit credits while employed by one participating employer may transfer the credits to any other participating employer.

Essentially all regular employees of participating employers are eligible and must enroll as members of the Florida Retirement System. Generally, a member's retirement pension benefit vests after 6 years of service. Generally, members are eligible for normal retirement benefits at age 62 with 6 years of service or at any age after 30 years of service which may include up to 4 years of credit for military service. For normal retirement, benefit payments are based on the member's best 5-year average annual salary (average final compensation) times the number of years of service, multiplied by a percentage ranging from 1.60 percent at either age 62 or with 30 years of service to 1.68 percent at age 65 or with 33 years of service. Members may individually elect to receive decreased monthly benefits during their lifetime in order to provide survivor benefits to a spouse or dependent. Members are eligible for early retirement after 6 years of service but before age 62; however, normal benefits are reduced by 5 percent for each year a member retires before age 62.

The County of Jefferson, Florida

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2003

The Florida Retirement System provides benefits in addition to the retirement pension described previously. Benefits include post-retirement payments for health-care insurance, cost-of-living supplements and, for certain retirees, a supplement to cover social security benefits lost by virtue of retirement system membership. Members are eligible for in-line-of-duty disability benefits from their first day of employment and for regular (not in-line-of-duty) disability benefits after 10 years of service. Disability benefit payments are calculated in the same manner as retirement benefits, except that disability benefits are not less than 42 percent of the member's average final compensation for disability incurred in the line of duty and not less than 25 percent of average final compensation for regular disability. Survivors of members who die in the line of duty are entitled to a monthly benefit equal to one-half the member's monthly salary at death. Survivors of members whose death is other than in the line of duty may elect to either receive benefits as if the member had retired on the date of death and had opted to provide survivor benefits or defer benefits to a later date and receive payments as if the member had retired at that later date.

Benefits described above are in summary form and, accordingly, not all conditions, limitations, and restrictions are mentioned. Benefit provisions are established by Chapter 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, where benefits are defined and described in detail.

As of September 30, 2003 the contribution rates were as follows:

<u>Employer</u>	<u>Percent of Gross Salary</u>	
		<u>Employee</u>
Florida Retirement System, Regular	0.00	7.39%
Florida Retirement System, County Elected Officers	0.00	15.23%

The County's 2002-2003 fiscal year payroll for all employees totaled \$2,538,818, including \$2,507,138 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in fiscal years ended September 30, 2003, 2002 and 2001 totaled \$206,680, \$227,415 and \$253,729, respectively.

The Governmental Accounting Standards Board has established the actuarial present value of credited projected benefits as the standardized measure that a public employee retirement system such as the Florida Retirement System must use to determine the amount of its total pension benefit obligation. Use of a standardized method by public employee retirement systems enables financial statement readers to: (1) assess the funding status on a going-concern basis; (2) assess progress made in accumulating assets to pay benefits when due; and

**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

**NOTE K - RETIREMENT PROGRAM - CONTINUED**

(3) make comparisons with other systems and other employers. The actuarial-present-value-of-credited-projected-benefits valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee member services performed to date and is adjusted for the effects of projected salary increases.

The total unfunded actuarial accrued liability of the Florida Retirement System as of July 1, 2000 was as follows:

Total actuarial accrued liability	<u>(In Billions)</u> \$74,949
Less, actuarial value of assets	<u>88,503</u>
Unfunded actuarial accrued liability	<u>\$(13,554)</u>

Measurement of the above items is based on an actuarial valuation as of July 1, 2000.

The County's 2002-2003 fiscal year required contribution to the Florida Retirement System represents a negligible percent of the total current-year actuarially determined contribution requirements for all participating employers.

Ten-year historical trend information is presented in the annual financial report of the Florida Retirement System. The information is useful in assessing the accumulation of assets to pay pension benefits as they become due.

During the 2002-2003 fiscal year and as of June 30, 2003, the Florida Retirement System held no securities issued by the County.

**NOTE L - 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 is expected to be \$117,669 per year for the next 20 years. The estimate of post closure costs is based upon information provided by environmental engineers and consultants under contract with the County. The Solid Waste Trust Fund is a special revenue fund maintained by the County to accumulate the assets necessary to fund the post closure liabilities referenced above. The County maintains an escrow account to fund post closure costs annually.



**The County of Jefferson, Florida**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**September 30, 2003**

**NOTE M - ROAD BONDS ADMINISTERED BY THE STATE OF FLORIDA**

On September 9, 1992, the State of Florida issued \$3,600,000 of State of Florida, Full Faith and Credit, Jefferson County Road Bonds, Series 1992 through the Division of Bond Finance of the State Board of Administration. The bonds, dated September 1, 1992, are full faith and credit obligations of the State of Florida.

The bonds are payable primarily from and are secured by the Pledged Constitutional Gasoline Tax Funds accruing to Jefferson County, Florida. The Pledged Constitutional Gasoline Tax Funds consist of the 80% and 20% portions of the surplus constitutional gasoline tax funds accruing each year to Jefferson County under the provisions of Section 9(c) of Article XII of the Constitution of Florida. No other local revenues or the general credit of Jefferson County, Florida is pledged on this bond issue.

The State Board of Administration is responsible for collecting the pledged gasoline tax revenues, providing debt service for the bond issue, maintaining debt service funds and accounts for this bond issue. These bonds and the related debt service activities have been deemed to not be liabilities of Jefferson County for the before mentioned reasons. The pledged gasoline tax revenues are accounted for in the debt service fund of the County.

The County had an arbitrage rebate liability of \$-0- as of October 1, 2003.

Information regarding the bond issue is as follows:

Amount of Issue:	\$3,600,000	
Date of Issue:	September 1, 1992	
Maturity Dates:		
	May 1, 2004	185,000
	May 1, 2005	195,000
	May 1, 2006	205,000
	May 1, 2007	215,000
	May 1, 2008	225,000
	May 1, 2009 - 2012	<u>1,050,000</u>
		<u>\$2,075,000</u>

The County of Jefferson, Florida

NOTES TO FINANCIAL STATEMENTS (Continued)

September 30, 2003

**NOTE N - RESERVED FUND BALANCES**

The nature and purpose of the reserved fund balances presented are as follows:

Special Revenue Funds:	
County Transportation Trust Fund - Reserve for inventory of supplies	\$133,717
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications trust fund	<u>454,572</u>
	<u>\$588,289</u>
Capital Projects Fund - Reserve for road construction	<u>\$469,142</u>
Debt Service Fund - Reserve for debt service	<u>\$225,575</u>

The reserve for debt service in the debt service fund is the accumulation of pledged gasoline tax revenues discussed in the Note M above.

**NOTE O - 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 the public, or damage to property of others. The County obtains commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees Bond
- Workers' Compensation
- Automobile Liability
- Comprehensive General Liability

**REQUIRED SUPPLEMENTAL INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning budgetary fund balance</b>	\$ 2,096,636	\$ 2,096,636	\$ 2,096,636	\$ -
<b>Resources (Inflows):</b>				
<b>Taxes:</b>				
Ad valorem	2,717,206	2,717,206	2,648,495	(68,711)
Franchise fees	600	600	-	(600)
Total taxes	<u>2,717,806</u>	<u>2,717,806</u>	<u>2,648,495</u>	<u>(69,311)</u>
				-
<b>Licenses and permits:</b>				
Occupational licenses	3,000	3,000	2,593	(407)
Contractors licenses	5,500	5,500	4,950	(550)
Building permits	87,000	87,000	98,292	11,292
Development code permits	75,000	75,000	82,302	7,302
Total licenses and permits	<u>170,500</u>	<u>170,500</u>	<u>188,137</u>	<u>17,637</u>
				-
<b>Intergovernmental:</b>				
Emergency management grants	129,281	129,281	126,604	(2,677)
Diabetes grant	-	-	121,449	121,449
State library aid	100,858	156,622	126,744	(29,878)
State revenue sharing	235,169	235,169	241,891	6,722
Insurance agent licenses	8,000	8,000	22,220	14,220
Mobile home licenses	6,000	6,000	5,589	(411)
Alcoholic beverage licenses	1,250	1,250	1,683	433
Racing taxes	111,625	111,625	111,625	-
State sales taxes	560,253	560,253	592,768	32,515
Emergency medical grants	25,000	25,000	24,724	(276)
Recreation grant	226,200	226,200	58,693	(167,507)
State payments in lieu of taxes	-	-	25,362	25,362
Total intergovernmental	<u>1,403,636</u>	<u>1,459,400</u>	<u>1,459,352</u>	<u>(48)</u>
				-
<b>Charges for services:</b>				
Ambulance fees	300,000	300,000	423,197	123,197
Tax collector fees	399,306	399,306	251,226	(148,080)
Clerk of Court fees	-	-	126,131	126,131
Other elected officials fees	-	-	7,201	7,201
Public Defender liens	1,000	1,000	414	(586)
Law library fees	1,500	1,500	2,110	610
Garbage and refuse fees	35,000	35,000	71,508	36,508
Total charges for services	<u>736,806</u>	<u>736,806</u>	<u>881,787</u>	<u>144,981</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous:</b>				
Rent income	1,500	1,500	1,375	(125)
Sale of surplus property	-	-	3,500	3,500
Other miscellaneous income	-	-	6,110	6,110
Total miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>10,985</u>	<u>9,485</u>
<b>Other financing sources:</b>				
Transfers in	<u>511,880</u>	<u>511,880</u>	<u>20,000</u>	<u>(491,880)</u>
<b>Total resources (inflows)</b>	<u>5,542,128</u>	<u>5,597,892</u>	<u>5,208,756</u>	<u>(389,136)</u>
Amounts available for appropriation	<u>7,638,764</u>	<u>7,694,528</u>	<u>7,305,392</u>	<u>(389,136)</u>
<b>Charges to appropriations (outflows):</b>				
<b>Board of County Commissioners:</b>				
Personal services	139,110	139,110	134,948	4,162
Operating expenses	312,053	312,053	276,425	35,628
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>374</u>	<u>2,126</u>
Total Board of County Commissioners	<u>453,663</u>	<u>453,663</u>	<u>411,747</u>	<u>41,916</u>
<b>County coordinator:</b>				
Personnel services	82,595	82,595	87,702	(5,107)
Operating expenses	<u>25,440</u>	<u>25,440</u>	<u>17,630</u>	<u>7,810</u>
Totals county coordinator	<u>108,035</u>	<u>108,035</u>	<u>105,332</u>	<u>2,703</u>
<b>County Attorney:</b>				
Operating expenses	<u>61,627</u>	<u>61,627</u>	<u>28,049</u>	<u>33,578</u>
<b>Property Appraiser:</b>				
Personal services	245,504	245,504	232,864	12,640
Operating expenses	169,015	169,015	128,380	40,635
Capital outlay	<u>12,000</u>	<u>12,000</u>	<u>11,188</u>	<u>812</u>
Total property appraiser	<u>426,519</u>	<u>426,519</u>	<u>372,432</u>	<u>54,087</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Tax Collector:</b>				
Personal services	242,890	242,890	242,890	-
Operating expenses	156,446	156,446	94,260	62,186
Capital outlay	-	-	-	-
<b>Total tax collector</b>	<u>399,336</u>	<u>399,336</u>	<u>337,150</u>	<u>62,186</u>
<b>Clerk of the Circuit Court:</b>				
Personal services	346,324	346,324	346,324	-
Operating expenses	66,727	66,727	58,747	7,980
Capital outlay	12,540	12,540	10,598	1,942
<b>Total Clerk of the Circuit Court</b>	<u>425,591</u>	<u>425,591</u>	<u>415,669</u>	<u>9,922</u>
<b>State attorney:</b>				
Operating expenses	19,500	19,500	17,297	2,203
<b>Public defender:</b>				
Operating expenses	19,720	19,720	19,146	574
<b>Court reporters:</b>				
Operating expenses	28,974	28,974	27,582	1,392
<b>Supervisor of elections:</b>				
Personnel services	110,136	110,136	105,145	4,991
Operating expenses	126,250	126,250	43,125	83,125
<b>Total supervisor of elections</b>	<u>236,386</u>	<u>236,386</u>	<u>148,270</u>	<u>88,116</u>
<b>Grants management:</b>				
Personnel services	30,751	16,751	16,751	-
Operating expenses	19,600	19,600	16,738	2,862
<b>Total grants management</b>	<u>50,351</u>	<u>36,351</u>	<u>33,489</u>	<u>2,862</u>
<b>Courthouse and annexes:</b>				
Personnel services	21,670	21,670	21,256	414
Operating expenses	80,900	80,900	66,446	14,454
Capital outlay	24,500	24,500	-	24,500
<b>Total courthouse and annexes</b>	<u>127,070</u>	<u>127,070</u>	<u>87,702</u>	<u>39,368</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>County planning:</b>				
Personnel services	79,611	79,611	55,779	23,832
Operating expenses	23,400	23,400	33,044	(9,644)
Capital outlay	2,500	2,500	911	1,589
<b>Total county planning</b>	<u>105,511</u>	<u>105,511</u>	<u>89,734</u>	<u>15,777</u>
<b>Economic development:</b>				
Operating expenses	40,000	40,000	40,000	-
<b>Veterans affairs:</b>				
Personnel services	15,227	15,227	9,158	6,069
Operating expenses	3,010	3,010	9,550	(6,540)
<b>Total veterans affairs</b>	<u>18,237</u>	<u>18,237</u>	<u>18,708</u>	<u>(471)</u>
<b>Fire control:</b>				
Operating expenses	11,300	11,300	11,279	21
<b>County jail:</b>				
Operating expenses	415,686	415,686	391,224	24,462
Capital outlay	5,000	5,000	2,971	2,029
<b>Total county jail</b>	<u>420,686</u>	<u>420,686</u>	<u>394,195</u>	<u>26,491</u>
<b>Building inspection:</b>				
Personnel services	84,353	84,353	82,266	2,087
Operating expenses	34,490	34,490	22,907	11,583
Capital outlay	2,000	2,000	-	2,000
<b>Total building inspection</b>	<u>120,843</u>	<u>120,843</u>	<u>105,173</u>	<u>15,670</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Medical examiner:</b>				
Operating expenses	4,000	4,000	26,426	(22,426)
<b>Emergency management:</b>				
Personnel services	96,036	96,036	71,047	24,989
Operating expenses	57,986	57,986	59,668	(1,682)
Capital outlay	7,000	7,000	29,517	(22,517)
Total emergency management	<u>161,022</u>	<u>161,022</u>	<u>160,232</u>	<u>790</u>
<b>Construction licensing:</b>				
Personnel services	4,802	4,802	4,324	478
Operating expenses	572	572	331	241
Total construction licensing	<u>5,374</u>	<u>5,374</u>	<u>4,655</u>	<u>719</u>
<b>Refuse/solid waste:</b>				
Personnel services	216,397	216,397	183,378	33,019
Operating expenses	133,927	133,927	123,210	10,717
Total refuse/solid waste	<u>350,324</u>	<u>350,324</u>	<u>306,588</u>	<u>43,736</u>
<b>Health department:</b>				
Operating expenses	14,139	14,139	135,259	(121,120)
<b>Mental health:</b>				
Operating expenses	15,000	15,000	15,000	-
<b>Ambulance service:</b>				
Personnel services	341,086	341,086	345,989	(4,903)
Operating expenses	198,536	198,536	292,208	(93,672)
Capital outlay	84,000	84,000	84,085	(85)
Total ambulance service	<u>623,622</u>	<u>623,622</u>	<u>722,282</u>	<u>(98,660)</u>



**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Welfare participation programs:</b>				
Operating expenses	229,538	229,538	225,748	3,790
<b>Recreation:</b>				
Personnel services	40,929	54,929	52,872	2,057
Operating expenses	15,475	15,475	12,092	3,383
Capital outlay	227,016	227,016	58,703	168,313
Total recreation	283,420	297,420	123,667	173,753
<b>Library:</b>				
Personnel services	145,529	146,579	143,498	3,081
Operating expenses	67,429	106,399	99,874	6,525
Capital outlay	8,000	23,744	13,424	10,320
Total library	220,958	276,722	256,796	19,926
<b>Agriculture/soil conservation:</b>				
Personnel services	109,779	109,779	97,027	12,752
Operating expenses	53,300	53,300	47,410	5,890
Capital outlay	8,000	8,000	5,306	2,694
Total agriculture/soil conservation	171,079	171,079	149,743	21,336
<b>Other financing uses:</b>				
Transfers out	1,401,781	1,401,781	1,401,781	-
<b>Total charges to appropriations (outflows)</b>	<u>6,553,606</u>	<u>6,609,370</u>	<u>6,191,131</u>	<u>418,239</u>
<b>Ending budgetary fund balance</b>	<u>\$ 1,085,158</u>	<u>\$ 1,085,158</u>	<u>\$ 1,114,261</u>	<u>\$ 29,103</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
COUNTY TRANSPORTATION TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning budgetary fund balance</b>	\$ 421,870	\$ 421,870	\$ 421,870	\$ -
<b>Resources (inflows):</b>				
<b>Taxes:</b>				
Local option gasoline tax	758,486	758,486	736,902	(21,584)
<b>Intergovernmental:</b>				
9th cent gas tax	159,275	159,275	153,329	(5,946)
Racing tax	111,625	111,625	111,625	-
Gasoline tax pour over trust	304,418	304,418	296,119	(8,299)
Motor fuel use tax	20,000	20,000	29,484	9,484
5th & 6th cent gasoline tax	413,765	413,765	356,442	(57,323)
Total intergovernmental	1,009,083	1,009,083	946,999	(62,084)
<b>Charges for services:</b>				
Pipe installation fees	6,100	6,100	15,617	9,517
Pipe sales	9,900	9,900	15,754	5,854
Driveway permits	1,000	1,000	1,696	696
Total charges for services	17,000	17,000	33,067	16,067
<b>Miscellaneous:</b>				
Investment income	-	-	14,889	14,889
Sale of surplus equipment	3,500	3,500	5,637	2,137
Other miscellaneous	-	-	4,250	4,250
Total miscellaneous	3,500	3,500	24,776	21,276
<b>Total resources (inflows)</b>	<b>1,788,069</b>	<b>1,788,069</b>	<b>1,741,744</b>	<b>(46,325)</b>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
COUNTY TRANSPORTATION TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Amounts available for appropriation	<u>2,209,939</u>	<u>2,209,939</u>	<u>2,163,614</u>	<u>(46,325)</u>
<b>Charges to appropriations (outflows):</b>				
Transportation:				
Personnel services	958,604	958,604	929,315	29,289
Other expenses	547,650	547,650	666,115	(118,465)
Capital outlay	<u>386,195</u>	<u>386,195</u>	<u>270,231</u>	<u>115,964</u>
Total transportation	<u>1,892,449</u>	<u>1,892,449</u>	<u>1,865,661</u>	<u>26,788</u>
Other financing uses:				
Transfers out	<u>786,380</u>	<u>786,380</u>	<u>294,500</u>	<u>491,880</u>
<b>Total charges to appropriations (outflows)</b>	<u>2,678,829</u>	<u>2,678,829</u>	<u>2,160,161</u>	<u>518,668</u>
<b>Ending budgetary fund balance</b>	<u>\$ (468,890)</u>	<u>\$ (468,890)</u>	<u>\$ 3,453</u>	<u>\$ 472,343</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
FINE AND FORFEITURE FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Beginning budgetary fund balance</b>	\$ 815,141	\$ 815,141	\$ 815,141	\$ -
<b>Resources (inflows):</b>				
<b>Taxes:</b>				
Ad valorem	679,302	679,302	660,611	(18,691)
<b>Intergovernmental:</b>				
Federal grants:				
Anti-drug grant	134,579	134,579	113,654	(20,925)
Local law enforcement block grant	14,174	14,174	14,174	-
Total federal grants	148,753	148,753	127,828	(20,925)
Resource officer grant	29,151	29,151	59,177	30,026
City drug grant	-	-	8,022	8,022
Total intergovernmental	177,904	177,904	195,027	17,123
<b>Charges for services:</b>				
Sheriff fees	10,000	10,000	13,020	3,020
<b>Fines and costs:</b>				
County fines	300,000	300,000	250,333	(49,667)
Court education trust fund	10,000	10,000	12,341	2,341
Confiscated property	-	-	9,680	9,680
Impoundment	-	-	8,535	8,535
Communications trust fund	75,000	75,000	48,906	(26,094)
Total fines and costs	385,000	385,000	329,795	(55,205)
<b>Miscellaneous:</b>				
Commissary proceeds	-	-	29,846	29,846
Investment earnings	-	-	8,489	8,489
Tower rent	-	-	2,040	2,040
Total miscellaneous	-	-	40,375	40,375
<b>Other financing sources:</b>				
Transfers in	1,384,029	1,384,029	1,384,029	-
<b>Total resources (inflows)</b>	<b>2,636,235</b>	<b>2,636,235</b>	<b>2,622,857</b>	<b>(13,378)</b>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
FINE AND FORFEITURE FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Amounts available for appropriation	<u>3,451,376</u>	<u>3,451,376</u>	<u>3,437,998</u>	<u>(13,378)</u>
<b>Charges to appropriations (Outflows):</b>				
Public safety:				
Personnel services	1,499,000	1,499,000	1,498,149	851
Operating expenses	790,625	790,625	712,593	78,032
Capital outlay	<u>284,000</u>	<u>284,000</u>	<u>251,223</u>	<u>32,777</u>
Total public safety	<u>2,573,625</u>	<u>2,573,625</u>	<u>2,461,965</u>	<u>111,660</u>
<b>Total charges to appropriations (outflows)</b>	<u>2,573,625</u>	<u>2,573,625</u>	<u>2,461,965</u>	<u>111,660</u>
<b>Ending budgetary fund balance</b>	<u>\$ 877,751</u>	<u>\$ 877,751</u>	<u>\$ 976,033</u>	<u>\$ 98,282</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
SOLID WASTE TRUST FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning budgetary fund balance</b>	\$ 279,237	\$ 279,237	\$ 279,237	\$ -
<b>Resources (inflows):</b>				
<b>Intergovernmental:</b>				
State grants:				
Small counties grant	50,000	50,000	50,000	-
Waste tire grant	14,523	14,523	14,523	-
Mosquito control grant	24,000	24,000	48,718	24,718
Recycling grant	59,519	59,519	59,519	-
Litter & marine grant	12,839	12,839	11,789	(1,050)
Hazardous materials grant	15,000	15,000	15,000	-
Total intergovernmental	<u>175,881</u>	<u>175,881</u>	<u>199,549</u>	<u>23,668</u>
<b>Miscellaneous:</b>				
Solid waste special assessment	720,292	739,357	739,357	-
Recycling sales	63,598	63,598	36,908	(26,690)
Investment income	-	7,645	7,645	-
Total miscellaneous	<u>783,890</u>	<u>810,600</u>	<u>783,910</u>	<u>(26,690)</u>
<b>Other financing sources:</b>				
Transfers in	<u>456,323</u>	<u>456,323</u>	<u>456,323</u>	<u>-</u>
<b>Total resources (inflows)</b>	<u>1,416,094</u>	<u>1,442,804</u>	<u>1,439,782</u>	<u>(3,022)</u>
Amounts available for appropriation	<u>1,695,331</u>	<u>1,722,041</u>	<u>1,719,019</u>	<u>(3,022)</u>
<b>Charges to appropriations (outflows):</b>				
Garbage/solid waste disposal:				
Personnel services	288,365	288,365	322,088	(33,723)
Operating expenses	1,012,882	1,039,592	1,031,350	8,242
Capital outlay	61,598	61,598	34,877	26,721
Total garbage solid waste disposal	<u>1,362,845</u>	<u>1,389,555</u>	<u>1,388,315</u>	<u>1,240</u>
<b>Ending budgetary fund balance</b>	<u>\$ 332,486</u>	<u>\$ 332,486</u>	<u>\$ 330,704</u>	<u>\$ (1,782)</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning budgetary fund balance</b>	\$ 422,700	\$ 422,700	\$ 422,700	\$ -
<b>Resources (inflows):</b>				
<b>Miscellaneous:</b>				
Investment income	<u>6,000</u>	<u>6,000</u>	<u>51,800</u>	<u>45,800</u>
<b>Total resources (inflows)</b>	<u>6,000</u>	<u>6,000</u>	<u>51,800</u>	<u>45,800</u>
Amounts available for appropriation	428,700	428,700	474,500	45,800
<b>Charges to appropriations (outflows):</b>				
NRCS grant expenditures	<u>6,000</u>	<u>6,000</u>	<u>5,358</u>	<u>642</u>
<b>Ending budgetary fund balance</b>	<u>\$ 422,700</u>	<u>\$ 422,700</u>	<u>\$ 469,142</u>	<u>\$ 45,158</u>

**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GRANTS FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning budgetary fund balance</b>	\$ 957,951	\$ 957,951	\$ 957,951	\$ -
<b>Resources (inflows):</b>				
<b>Intergovernmental:</b>				
Federal grants:				
Low income housing	910,598	910,598	592,623	(317,975)
Community development block grant	345,674	345,674	305,099	(40,575)
Jobs training partnership act	-	-	2,891	2,891
Food distribution	5,000	5,000	5,627	627
Low income energy assistance	63,044	35,965	47,734	11,769
Total federal grants	<u>1,324,316</u>	<u>1,297,237</u>	<u>953,974</u>	<u>(343,263)</u>
State grants:				
State housing initiatives partnership	<u>350,000</u>	<u>1,038,584</u>	<u>444,638</u>	<u>(593,946)</u>
Total intergovernmental	<u>1,674,316</u>	<u>2,335,821</u>	<u>1,398,612</u>	<u>(937,209)</u>
<b>Miscellaneous:</b>				
Investment income	-	-	1,411	1,411
Other	-	-	546	546
Total miscellaneous	<u>-</u>	<u>-</u>	<u>1,957</u>	<u>1,957</u>
<b>Total resources (inflows)</b>	<u>1,674,316</u>	<u>2,335,821</u>	<u>1,400,569</u>	<u>(935,252)</u>
Amounts available for appropriation	<u>2,632,267</u>	<u>3,293,772</u>	<u>2,358,520</u>	<u>(935,252)</u>



**JEFFERSON COUNTY, FLORIDA  
BUDGETARY COMPARISON SCHEDULE  
GRANTS FUND  
YEAR ENDED SEPTEMBER 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Charges to appropriations (outflows):</b>				
Economic environment:				
Low income housing:				
Personnel services	52,831	52,831	51,632	1,199
Other expenses	857,767	857,767	580,092	277,675
Total low income housing	<u>910,598</u>	<u>910,598</u>	<u>631,724</u>	<u>278,874</u>
Community development block grant:				
Personnel services	3,293	3,293	3,293	-
Other expenses	342,381	342,381	285,506	56,875
Total community development block grant	<u>345,674</u>	<u>345,674</u>	<u>288,799</u>	<u>56,875</u>
Jobs training partnership act:				
Personnel services	-	30,628	26,010	4,618
Other expenses	-	12,236	6,322	5,914
Total jobs training partnership act	<u>-</u>	<u>42,864</u>	<u>32,332</u>	<u>10,532</u>
Food distribution:				
Personnel services	4,500	4,500	4,549	(49)
Other expenses	500	500	421	79
Total food distribution	<u>5,000</u>	<u>5,000</u>	<u>4,970</u>	<u>30</u>
State housing initiatives partnership:				
Personnel services	30,000	37,017	33,566	3,451
Other expenses	320,000	1,001,567	518,166	483,401
Total state housing initiatives partnership	<u>350,000</u>	<u>1,038,584</u>	<u>551,732</u>	<u>486,852</u>
Low income energy assistance:				
Personnel services	20,256	22,128	12,697	9,431
Other expenses	42,788	46,859	41,007	5,852
Total low income energy assistance	<u>63,044</u>	<u>68,987</u>	<u>53,704</u>	<u>15,283</u>
<b>Total charges to appropriations</b>	<u>1,674,316</u>	<u>2,411,707</u>	<u>1,563,261</u>	<u>848,446</u>
<b>Ending budgetary fund balance</b>	<u>\$ 957,951</u>	<u>\$ 882,065</u>	<u>\$ 795,259</u>	<u>\$ (86,806)</u>

**OTHER SUPPLEMENTAL INFORMATION**

**JEFFERSON COUNTY, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2003**

	<u>Special Revenue</u>				<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Fire Assessment</u>	<u>Sales Tax Fund</u>	<u>Local Government Criminal Justice Fund</u>	<u>E-911 fund</u>		
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 280,170	\$ 280,170
Due from other governments	6,102	69,200	2,038	6,684	-	84,024
Due from other funds	348,468	511,196	71,339	250,839	-	1,181,842
Total assets	<u>\$ 354,570</u>	<u>\$ 580,396</u>	<u>\$ 73,377</u>	<u>\$ 257,523</u>	<u>\$ 280,170</u>	<u>\$ 1,546,036</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 890	\$ -	\$ -	\$ -	\$ -	\$ 890
Due to other funds	-	-	-	-	54,595	54,595
Total liabilities	<u>890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,595</u>	<u>55,485</u>
<b>FUND BALANCES</b>						
Unreserved:						
Designated:						
Fire safety	353,680	-	-	-	-	353,680
Criminal justice system	-	-	73,377	-	-	73,377
Emergency communications	-	-	-	257,523	-	257,523
Undesignated	-	580,396	-	-	225,575	805,971
Total fund balances	<u>353,680</u>	<u>580,396</u>	<u>73,377</u>	<u>257,523</u>	<u>225,575</u>	<u>1,490,551</u>
Total liabilities and fund balances	<u>\$ 354,570</u>	<u>\$ 580,396</u>	<u>\$ 73,377</u>	<u>\$ 257,523</u>	<u>\$ 280,170</u>	<u>\$ 1,546,036</u>

**JEFFERSON COUNTY, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2003**

	<u>Special Revenue</u>				<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Fire Assessment</u>	<u>Sales Tax Fund</u>	<u>Local Government Criminal Justice Fund</u>	<u>E-911 Fund</u>		
<b>REVENUES</b>						
Taxes	\$ -	\$ 495,669	\$ -	\$ 115,184	\$ 341,806	\$ 952,659
Fines and costs	-	-	29,028	-	-	29,028
Investment income	5,528	11,817	1,170	4,621	2,223	25,359
Miscellaneous	<u>338,547</u>	-	-	-	-	<u>338,547</u>
Total revenues	<u>344,075</u>	<u>507,486</u>	<u>30,198</u>	<u>119,805</u>	<u>344,029</u>	<u>1,345,593</u>
<b>EXPENDITURES</b>						
Current:						
Fire safety	259,884	-	-	-	-	259,884
Public safety	-	-	-	20,471	-	20,471
Debt Service:						
Principal	-	-	-	-	295,000	295,000
Interest & other	-	-	-	-	274,398	274,398
Capital outlay	<u>21,064</u>	-	-	<u>122,771</u>	-	<u>143,835</u>
Total expenditures	<u>280,948</u>	<u>-</u>	<u>-</u>	<u>143,242</u>	<u>569,398</u>	<u>993,588</u>
Excess (deficiency) of revenues over expenditures	<u>63,127</u>	<u>507,486</u>	<u>30,198</u>	<u>(23,437)</u>	<u>(225,369)</u>	<u>352,005</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>						
Transfers in	16,764	-	-	-	323,236	340,000
Transfers (out)	<u>-</u>	<u>(484,071)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>(504,071)</u>
Total other financing Sources and (Uses)	<u>16,764</u>	<u>(484,071)</u>	<u>(20,000)</u>	<u>-</u>	<u>323,236</u>	<u>(164,071)</u>
Net change in fund balances	79,891	23,415	10,198	(23,437)	97,867	187,934
Beginning fund balances	<u>273,789</u>	<u>556,981</u>	<u>63,179</u>	<u>280,960</u>	<u>127,708</u>	<u>1,302,617</u>
Ending fund balances	<u>\$ 353,680</u>	<u>\$ 580,396</u>	<u>\$ 73,377</u>	<u>\$ 257,523</u>	<u>\$ 225,575</u>	<u>\$ 1,490,551</u>

**JEFFERSON COUNTY, FLORIDA  
COMBINING STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
September 30, 2003**

	<u>Agency funds</u>			<u>Totals</u>
	<u>Clerk of the Circuit Court</u>	<u>Tax Collector</u>	<u>Sheriff</u>	
<b>ASSETS</b>				
Cash	\$ 219,223	\$ 286,078	\$ 122,478	\$ 627,779
Total assets	<u>\$ 219,223</u>	<u>\$ 286,078</u>	<u>\$ 122,478</u>	<u>\$ 627,779</u>
<b>LIABILITIES</b>				
Due to other agencies	\$ 91,854	\$ 286,078	\$ -	\$ 377,932
Deposits held in escrow	<u>127,369</u>	<u>-</u>	<u>122,478</u>	<u>249,847</u>
Total liabilities	<u>\$ 219,223</u>	<u>\$ 286,078</u>	<u>\$ 122,478</u>	<u>\$ 627,779</u>

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
RODNEY E. REAMS, C.P.A.

**BETTS, ROGERS, SCHENCK & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL ASSOCIATION

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

February 24, 2004

Honorable Members of the  
Board of County Commissioners  
Jefferson County, Florida

**MANAGEMENT LETTER**

We have audited the financial statements of the County of Jefferson, Florida, as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated February 24, 2004.

We have issued our Independent Auditor's Report On Internal Control and On Compliance With Laws and Regulations dated February 24, 2004. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554 (1) (g) 1.a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud and violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no such items disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554 (1) (g) 1.b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1) (g) 2.), we determined that the Jefferson County, Florida Board of County Commissioners complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

Honorable Members of the  
Board of County Commissioners  
Jefferson County, Florida  
Page 2

The Rules of Auditor General (Sections 10.554 (1) (g) 3. and 4.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on the internal control structure and compliance or schedule of findings and questioned costs: recommendations to improve financial management, accounting procedures and internal controls; violations of laws, rules, regulations, and contractual provisions that have occurred, or were likely to have occurred and were discovered within the scope of the audit; illegal or improper expenditures which may or may not materially affect the financial statements; improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); failures to properly record financial transactions; and other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit did not disclose any matters required to be disclosed by Rules of Auditor General (Sections 10.554 (1) (g) 3. and 4.).

As required by the Rules of the Auditor General (Section 10.554 (1) (g) 6.a.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida, Board of County Commissioners, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554 (1) (g) 6.b.) we determined that the financial information for the Jefferson County, Florida, Board of Commissioners, for the fiscal year ended September 30, 2003, included in the combined Jefferson County financial report filed with the Department of Banking and Finance pursuant to Section 218.32 (1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2003.

As required by the Rules of the Auditor General (Section 10.556(8)), we applied financial condition assessment procedures to determine if the County is experiencing any deteriorating financial conditions. Our procedures did not reveal any deteriorating financial conditions as of September 30, 2003.

This management letter is intended for the information of the Jefferson County, Florida, Board of County Commissioners and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Bette Rayne Schuch & Jones*

**The County of Jefferson, Florida**  
**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE**  
**For the year ended September 30, 2003**

<u>Federal Grantor/Pass-through Grantor</u>	<u>Program Title</u>	<u>Federal/State CFDA/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Receipts*</u>	<u>Expenditures</u>
<b><u>U.S. DEPARTMENT OF HUD</u></b>					
<b><u>Direct Programs:</u></b>					
	Section 8	14.195	N/A	\$ 592,623	\$ 632,504
<b><u>Passed through State:</u></b>					
Department of Community Affairs	Community Development Block Grant	14.228	00DB-6B-02-43-01-H01	<u>305,099</u>	<u>288,799</u>
<b>TOTAL U.S. DEPARTMENT OF HUD</b>				<b><u>\$ 897,722</u></b>	<b><u>\$ 921,303</u></b>
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>					
<b><u>Passed through State:</u></b>					
Department of Community Affairs	Weatherization Assistance for Low-Income Persons	81.042	03-WX-3X-02-43-01-012	\$ 17,108	\$ 17,108
	Weatherization Assistance for Low-Income Persons	81.042	03-WX-2Y-02-43-01-012	<u>12,297</u>	<u>12,297</u>
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>				<b><u>\$ 29,405</u></b>	<b><u>\$ 29,405</u></b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<b><u>Direct Programs:</u></b>					
	Natural Resource Conservation	10.	68-4209-1-1605	\$ 175,000	\$ 175,000
<b><u>Passed through State:</u></b>					
Department of Health	Food Distribution	10.568	7312	<u>4,928</u>	<u>4,928</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<b><u>\$ 179,928</u></b>	<b><u>\$ 179,928</u></b>



**The County of Jefferson, Florida**  
**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE**  
**For the year ended September 30, 2003**

<u>Federal Grantor/Pass-through Grantor</u>	<u>Program Title</u>	<u>Federal/State CFDA/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Receipts*</u>	<u>Expenditures</u>
<b><u>U.S. ADMINISTRATION FOR CHILDRENS AND FAMILIES</u></b>					
<u>Passed through State:</u>					
Department of Community Affairs	Low-Income Home Energy	93.568	03-LE-35-02-43-01-012	\$ 7,258	\$ 7,258
	Low-Income Home Energy	93.568	03-LH-2J-02-43-01-012	<u>11,070</u>	<u>11,070</u>
<b>TOTAL U.S. ADMINISTRATION FOR CHILDREN AND FAMILIES</b>				<u>\$ 18,328</u>	<u>\$ 18,328</u>
<b><u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>					
<u>Passed through State:</u>					
Department of Community Affairs	Emergency Management Performance Grant	83.552	03-BG-04-02-43-01-033	\$ 126,604	\$ 126,604
<b>TOTAL U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</b>				<u>\$ 126,604</u>	<u>\$ 126,604</u>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>					
<u>Passed through State:</u>					
Department of Law Enforcement	Byrne Formula Grant	16.579	02-CJ-2H-02-43-01-106	\$ (1,198)	\$ (1,198)
Department of Law Enforcement	Byrne Formula Grant	16.579	03-CJ-5A-02-43-01-130	131,460	131,460
Office of the Attorney General	Crime Victim Assistance	16.575	V2295	34,485	34,485
Department of Community Affairs	Local Law Enforcement Block Grant	16.592	2002-LB-BX-2158	<u>14,174</u>	<u>14,174</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>				<u>\$ 178,921</u>	<u>\$ 178,921</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>					
<u>Passed through State:</u>					
Department of Health	CDCP - Investigations & Technical Assistance	93.283	N/A	\$ 19,000	\$ 19,000
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<u>\$ 19,000</u>	<u>\$ 19,000</u>
<b>TOTAL FEDERAL ASSISTANCE</b>				<u>\$ 1,449,908</u>	<u>\$ 1,473,489</u>

**The County of Jefferson, Florida**  
**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE**  
**For the year ended September 30, 2003**

<u>Federal Grantor/Pass-through Grantor</u>	<u>Program Title</u>	<u>Federal/State CFDA/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Receipts*</u>	<u>Expenditures</u>
<b><u>STATE ASSISTANCE:</u></b>					
<b><u>Florida Department of Environmental Protection</u></b>					
	Recycling and Education Grant	37.011	RE317	\$ 59,519	\$ 59,519
	Waste Tire Grant	37.015	WT332	14,523	14,523
	Small Counties Grant	37.012	SC319	50,000	50,000
	Litter Control and Prevention Grant	37.009	LC317	11,789	11,789
	Fl. Recreation Dev. Assis. Prog.	37.017	F0199	50,000	50,000
	Fl. Recreation Dev. Assis. Prog.	37.017	F3433	4,157	4,157
	Fl. Recreation Dev. Assis. Prog.	37.017	F3435	4,536	4,536
	Cooperative Collection Center Grant	37.007	S0040	15,000	15,000
<b>Total Florida Department of Environmental Protection</b>				<b><u>\$ 209,524</u></b>	<b><u>\$ 209,524</u></b>
<b><u>Florida Department of State</u></b>					
	State Aid to Libraries	45.030	03-ST-75	\$ 126,744	\$ 126,744
<b>Total Florida Department of State</b>				<b><u>\$ 126,744</u></b>	<b><u>\$ 126,744</u></b>
<b><u>Florida Department of Community Affairs</u></b>					
	State Housing Initiatives Partnership	52.901	SHIP	\$ 444,638	\$ 551,732
<b>Total Florida Department of Community Affairs</b>				<b><u>\$ 444,638</u></b>	<b><u>\$ 551,732</u></b>
<b><u>Florida Department of Management Services</u></b>					
	Wireless 911 Rural County Grant Program	72.001	N/A	\$ 23,128	\$ 23,128
<b>Total Florida Department of Management Services</b>				<b><u>\$ 23,128</u></b>	<b><u>\$ 23,128</u></b>

**The County of Jefferson, Florida**  
**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE**  
**For the year ended September 30, 2003**

<u>Federal Grantor/Pass-through Grantor</u>	<u>Program Title</u>	<u>Federal/State CFDA/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Receipts*</u>	<u>Expenditures</u>
<b><u>Florida Department of Health</u></b>					
	Primary Care/Diabetes Grant	64.007	PCCG-0203-02	\$ 95,699	\$ 95,699
	Primary Care/Diabetes Grant	64.007	PCCG-0304-02	25,750	25,750
	Emergency Medical Services	64.005	C2033	<u>24,724</u>	<u>24,724</u>
<b>Total Florida Department of Health</b>				<u>\$ 146,173</u>	<u>\$ 146,173</u>
<b><u>Florida Department of Agriculture</u></b>					
	Mosquito Control	42.003	N/A	\$ 29,718	\$ 29,718
<b>Total Florida Department of Agriculture</b>				<u>\$ 29,718</u>	<u>\$ 29,718</u>
<b>TOTAL STATE ASSISTANCE</b>				<u>\$ 979,925</u>	<u>\$ 1,087,019</u>
<b>TOTAL FEDERAL AND STATE ASSISTANCE</b>				<u>\$ 2,429,833</u>	<u>\$ 2,560,508</u>

\*Receipts consist of actual funds received and reimbursable expenditures incurred.

**JEFFERSON COUNTY, FLORIDA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR END SEPTEMBER 30, 2003**

No findings were noted in the 2002 audit.

February 24, 2004

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

To the Honorable Members of the  
Board of County Commissioners  
Jefferson County, Florida

We have audited the combined financial statements of the Board of County Commissioners of Jefferson County, Florida, as of and for the year ended September 30, 2003, and have issued our report thereon dated February 24, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Board of County Commissioners of Jefferson County, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of County Commissioners of Jefferson County, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal

control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of county commissioners, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Bette, Rogan, Schenk, & Jones*

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
RODNEY E. REAMS, C.P.A.

**BETTS, ROGERS, SCHENCK & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL ASSOCIATION

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

February 24, 2004

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Members of  
the Board of County Commissioners  
Jefferson County, Florida

Compliance

We have audited the compliance of the Board of County Commissioners of Jefferson County, Florida, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended September 30, 2003. The Board of County Commissioners of Jefferson County, Florida's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major and state federal programs is the responsibility of the Board of County Commissioners. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the provisions of the Public and Indian Housing Compliance Supplement dated May 29, 1996 and Chapter 10.550, Rules of the Auditor General. Those standards and OMB Circular A-133 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Board'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. Our audit does not provide a legal determination on the Board of County Commissioners of Jefferson County, Florida's compliance with those requirements.

In our opinion, the Board of County Commissioners of Jefferson County, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2003.

Internal Control over Compliance

The Board of County Commissioners of Jefferson County, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board of County Commissioners of Jefferson County, Florida internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal or state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of county commissioners, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Bella, Ragan, Scheuch, & Jones*



**JEFFERSON COUNTY, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED SEPTEMBER 30, 2003**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Reportable condition(s) identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

**Federal and State Awards**

Type of auditor’s report issued: Unqualified

Internal Control over major programs:

Material weakness(es) identified? No

Reportable condition(s) identified not considered to be material weaknesses? None reported

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? No

Identification of major Federal programs:

CFDA Number/Program 14.195/Section 8  
14.228/Comm. Development Block Grant

Identification of major State programs:

CSFA Number/Program 52.901/State Housing Initiatives Partnership

**JEFFERSON COUNTY, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended September 30, 2003**

**Section I – Summary of Auditor’s Results (cont.)**

Dollar threshold used to distinguish between Type A and Type B Federal programs:	\$300,000
Dollar threshold used to distinguish between Type A and Type B State programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**Schedule II – Financial Statement Findings**

None reported

**Schedule III – Federal Award Findings and Questioned Costs**

None reported

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**THE COUNTY OF JEFFERSON, FLORIDA**

**CLERK OF THE CIRCUIT COURT**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
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AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 31, 2003

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Carl D. Boatwright,  
Clerk of the Circuit Court  
The County of Jefferson, Florida

We have audited the combined balance sheet of the Clerk of the Circuit Court of Jefferson County, Florida as of September 30, 2003 and the related statements of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balances of the agency funds for the year then ended. These financial statements are the responsibility of the Clerk of the Circuit Court of Jefferson County, Florida. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the Clerk of the Circuit Court of Jefferson County, Florida, as of September 30, 2003, and the results of operations of the general fund and the recorded cash transactions of the agency funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2003 on our consideration of the Clerk of the Circuit Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Betts, Rogers, Schenck & Jones*

**The County of Jefferson, Florida  
Clerk of the Circuit Court**

**COMBINED BALANCE SHEET**

**September 30, 2003**

	GENERAL FUND	AGENCY FUNDS	TOTALS (MEMORANDUM ONLY)
<b>ASSETS</b>			
Cash	\$ -	\$ 219,223	\$ 219,223
Accounts receivable	-	-	-
Total assets	\$ -	\$ 219,223	\$ 219,223
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Due to other governments	\$ -	\$ 91,854	\$ 91,854
Deposits held in escrow	-	127,369	127,369
Total liabilities	-	219,223	219,223
Fund balances	-	-	-
Total liabilities and fund balances	\$ -	\$ 219,223	\$ 219,223

**The County of Jefferson, Florida  
Clerk of the Circuit Court**

**COMBINING BALANCE SHEET - ALL AGENCY FUNDS**

**September 30, 2003**

	<u>SUSPENSE ACCOUNT</u>	<u>COURT REGISTRY</u>	<u>TAX REDEMPTION</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>				
Cash	\$ 137,782	\$ 60,797	\$ 20,644	\$ 219,223
Total assets	<u>\$ 137,782</u>	<u>\$ 60,797</u>	<u>\$ 20,644</u>	<u>\$ 219,223</u>
 <b>LIABILITIES</b>				
Liabilities				
Due to other governments	\$ 91,854	\$ -	\$ -	\$ 91,854
Deposits held in escrow	<u>45,928</u>	<u>60,797</u>	<u>20,644</u>	<u>127,369</u>
Total liabilities	<u>\$ 137,782</u>	<u>\$ 60,797</u>	<u>\$ 20,644</u>	<u>\$ 219,223</u>

**The County of Jefferson, Florida  
Clerk of the Circuit Court**

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

**Year ended September 30, 2003**

	GENERAL FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
<b>Revenues</b>			
County appropriation	\$ 227,878	\$ 260,979	\$ 33,101
Clerk's fees and other	235,000	290,250	55,250
Total revenues	462,878	551,229	88,351
<b>Expenditures</b>			
Salary of official	83,745	83,745	-
Other salaries and benefits	265,000	262,579	2,421
Operating expenses	70,000	68,176	1,824
Capital outlay	44,133	10,598	33,535
Total expenditures	462,878	425,098	37,780
Excess of revenues over expenditures	\$ -	126,131	\$ 126,131
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		(126,131)	
Fund balance - end of year		\$ -	

**The County of Jefferson, Florida  
Clerk of the Circuit Court**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES**

**Year ended September 30, 2003**

	AGENCY FUNDS			
	SUSPENSE ACCOUNT	COURT REGISTRY	TAX REDEMPTION	TOTALS (MEMORANDUM ONLY)
<b>Receipts</b>				
Collection of fines	\$ 280,029	\$ -	\$ -	\$ 280,029
Documentary and surtax stamps	569,057	-	-	569,057
Fees for services	431,604	-	-	431,604
Intangible taxes	134,805	-	-	134,805
Individual and child support	1,264,777	-	-	1,264,777
Deposits received	452,869	227,633	13,935	694,437
Interest earned	-	193	-	193
	<u>3,133,141</u>	<u>227,826</u>	<u>13,935</u>	<u>3,374,902</u>
<b>Total receipts</b>	<u>3,133,141</u>	<u>227,826</u>	<u>13,935</u>	<u>3,374,902</u>
<b>Disbursements</b>				
Disbursements of fines	262,678	-	-	262,678
Documentary and surtax stamps	569,057	-	-	569,057
Disbursements of fees	396,768	-	-	396,768
Disbursement of intangible taxes	134,805	-	-	134,805
Individual and child support	1,264,777	-	-	1,264,777
Deposits distributed	566,788	200,040	11,925	778,753
	<u>3,194,873</u>	<u>200,040</u>	<u>11,925</u>	<u>3,406,838</u>
<b>Total disbursements</b>	<u>3,194,873</u>	<u>200,040</u>	<u>11,925</u>	<u>3,406,838</u>
Excess of receipts over (under) disbursements	(61,732)	27,786	2,010	(31,936)
Beginning cash balances	199,514	33,011	18,634	251,159
Ending cash balances	<u>\$ 137,782</u>	<u>\$ 60,797</u>	<u>\$ 20,644</u>	<u>\$ 219,223</u>



**The County of Jefferson, Florida  
Clerk of the Circuit Court**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 1 - REPORTING ENTITY**

Jefferson County, Florida is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board). The Board is responsible for the administration of all departments pursuant to the general laws of Florida.

The Jefferson County Clerk of the Circuit Court (Clerk) is an elected official of Jefferson County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of Jefferson County, Florida. The Jefferson County Clerk is responsible for the administration and operation of the Clerk's office, and the Jefferson County Clerk's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Jefferson County, Florida.

The Clerk funds his operations as a Budget and Fee Officer pursuant to Florida Statutes Chapters 28, 129, 145 and 218. As a Budget and Fee Officer, the operations as Clerk are approved and funded by the Board. The budgeted receipts from the Board and fees collected are recorded as revenue on the Clerk's financial statements. Any excess of revenues over expenditures are remitted to the Board at year end.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Jefferson County Clerk of the Circuit Court conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Fund Accounting**

The accounts of the Jefferson County Clerk of the Circuit Court are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. 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 funds are as follows:

The County of Jefferson, Florida  
Clerk of the Circuit Court

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting (Concluded)**

**Governmental Fund:**

**General Fund** - The general fund is the general operating fund of the Jefferson County Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Fiduciary Funds:**

**Agency Funds** - The agency funds are used to account for assets held by the Jefferson County Clerk as an agent for individuals, private organizations, other governments and/or other funds.

**Measurement Focus**

**Governmental Fund Type** - The general fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Fiduciary Fund Types** - The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Basis of Accounting**

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

**The County of Jefferson, Florida  
Clerk of the Circuit Court**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting (Concluded)**

The governmental fund and all agency funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Supervisor considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Budgetary Requirements**

General governmental 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 general fund. 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 (GAAP) basis of accounting.

The Jefferson County 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 appropriations at the individual fund level. All appropriations lapse at year end.

**Fixed Assets**

General fixed assets are recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the Board's general fixed asset account group in accordance with Florida Statutes.

**Memorandum Column**

The column captioned "Totals Memorandum Only" is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**The County of Jefferson, Florida  
Clerk of the Circuit Court**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Encumbrances**

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund. There were no encumbrances outstanding at year end.

**NOTE 3 - CASH**

**Cash Deposits**

At September 30, 2003, the carrying amount of the Jefferson County Clerk's deposits was \$397,121 and the bank balance was \$219,223. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral calculated according to formulas established by Chapter 280. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Jefferson County Clerk of the Circuit Court were placed with the State Board of Administration and local banks under banking services agreements and are classified as category one credit risk, which means they are insured or collateralized.

**NOTE 4 - EMPLOYEE BENEFITS**

**Pension Plan**

In accordance with Florida law, the Jefferson County Clerk of the Circuit Court participates in the Florida Retirement System (the System), which presently covers all qualified Jefferson County Clerk's employees. This System was created by the Florida Legislature and is administered by the State of Florida, Department of Administration, Division of Retirement and is a cost-sharing, multi-employer defined benefit public retirement plan available to governmental units within the State of Florida. The payroll for the Jefferson County Clerk's employees covered by the System was \$298,768. The total payroll for the year ended September 30, 2003 was \$298,768.

All eligible employees of the Jefferson County Clerk of the Circuit Court participate in the System. Effective July 1, 2001, the System provides vesting of benefits after six years of creditable service. Regular class and Elected Officers' class members are eligible for normal

**The County of Jefferson, Florida  
Clerk of the Circuit Court**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 4 - EMPLOYEE BENEFITS (Continued)**

**Pension Plan (Continued)**

retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) six years of service and age 62; or 3) the age after 62 the member becomes vested. Early retirement may be taken any time after vesting, however, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest years of earnings. The System also provides death and disability benefits. Benefits are established by Florida Statutes.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Jefferson County Clerk of the Circuit Court, are required to contribute 7.39% of the compensation for regular members and 15.23% for elected officials. During the years ended September 30, 2003, 2002, and 2001, the Jefferson County Clerk of the Circuit Court contributed \$23,616, \$26,273 and \$31,504, respectively. These contributions represented 100% of the Clerk's required contributions.

**MANAGEMENT LETTER  
REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS  
AND COMPLIANCE**

**THE COUNTY OF JEFFERSON, FLORIDA**

**CLERK OF THE CIRCUIT COURT**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
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PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 31, 2003

**MANAGEMENT LETTER**

To the Honorable Carl D. Boatwright  
Clerk of the Circuit Court  
Jefferson County, Florida

We have audited the financial statements of the Jefferson County, Florida Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated December 31, 2003.

We have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 31, 2003. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554 (1)(g)1a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, irregularities, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554 (1)(g)1b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)2.), we are required to state whether or not the Jefferson County, Florida Clerk of the Circuit Court

complied with Section 218.415, Florida Statutes, regarding the investment of public funds. We determined the Jefferson County, Florida Clerk of the Circuit Court complied with the Florida Statutes with regards to the investment of public funds.

The Rules of the Auditor General (Section 10.554 (1)(g)3.) require that we make recommendations to improve the Jefferson County, Florida, Clerk of the Circuit Court's financial management, accounting procedures, and internal control. Based on our audit, we had no recommendations for the Jefferson County, Florida Clerk of the Circuit Court.

The Rules of the Auditor General (Sections 10.554 (1)(g) 4a., 4b., 4c1., 4c2., 4c3.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred and were discovered within the scope of the audit; improper or illegal expenditures discovered within the scope of the financial audit that may or may not materially affect the financial statements; improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); failures to properly record financial transactions; and other inaccuracies, shortages, and defalcations and instances of fraud (see Statement on Auditing Standards No. 82) discovered by or that come to the attention of, the auditor. Our audit did not disclose any matters required to be disclosed by Rules of the Auditor General (Sections 10.554(1)(g) 4a., 4b., 4c1., 4c2., 4c3.).

The Rules of the Auditor General (Sections 10.554 (1)(g) 5.) require that we disclose the official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Rule 10.553, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements of the Jefferson County, Florida Clerk of the Circuit Court.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida Clerk of the Circuit Court, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for the Jefferson County, Florida Clerk of the Circuit Court, for the fiscal year ended September 30, 2003, is included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2003. As part of our audit, we applied the financial condition assessment procedures pursuant to Rule 10.556(8) and noted no deteriorating financial conditions.

This management letter is intended for the information of the Jefferson County, Florida Clerk of the Circuit Court and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Beth, Roger, Deborah, & Jones*



BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
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DANA D. POWELL, C.P.A.

**BETTS, ROGERS, SCHENCK & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL ASSOCIATION

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 31, 2003

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

To the Honorable Carl D. Boatwright  
Clerk of the Circuit Court  
Jefferson County, Florida

We have audited the financial statements of the Clerk of the Circuit Court of Jefferson County, Florida as of and for the year ended September 30, 2003, and have issued our report thereon dated December 31, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Clerk of the Circuit Court of Jefferson County, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk of the Circuit Court of Jefferson County, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal

control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Clerk of the Circuit Court, Board of County Commissioners and State Auditor General. However, this report is a matter of public record, and its distribution is not limited.

*Betta, Ragan, Schuch & Jones*

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SUPERVISOR OF ELECTIONS**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
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# BETTS, ROGERS, SCHENCK & JONES

CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL ASSOCIATION  
December 2, 2003

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

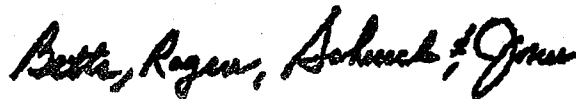
The Board of County Commissioners  
and The Honorable Marty Bishop,  
Supervisor of Elections  
The County of Jefferson, Florida

We have audited the combined balance sheet of The County of Jefferson, Florida Supervisor of Elections, as of September 30, 2003 and the related statement of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balance of the agency fund for the year then ended. These financial statements are the responsibility of The County of Jefferson, Florida Supervisor of Elections. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of The County of Jefferson, Florida Supervisor of Elections, as of September 30, 2003, and the results of operations of the general fund and the recorded cash transactions of the agency fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 2003 on our consideration of The County of Jefferson, Florida Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



**The County of Jefferson, Florida  
Supervisor of Elections**

**COMBINED BALANCE SHEET**

**September 30, 2003**

	<u>GENERAL FUND</u>	<u>AGENCY FUND (NOTE 2)</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ 39,390	\$ -	\$ 39,390
Due from others	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 39,390</u>	 <u>\$ -</u>	 <u>\$ 39,390</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Due to other agencies	\$ 39,390	\$ -	\$ 39,390
Total liabilities	39,390	-	39,390
Fund balances			
Total liabilities and fund balances	<u>\$ 39,390</u>	<u>\$ -</u>	<u>\$ 39,390</u>

**The County of Jefferson, Florida  
Supervisor of Elections**

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

**Year ended September 30, 2003**

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>Revenues</b>			
County appropriation	\$186,236	\$186,236	\$ -
Interest earned	-	261	261
Voter Education grant	-	-	-
Total revenues	<u>186,236</u>	<u>186,497</u>	<u>261</u>
<b>Expenditures</b>			
Salary of official	69,686	68,307	1,379
Other salaries, benefits and taxes	40,450	36,838	3,612
Operating expenses	76,100	41,962	34,138
Capital outlay	-	-	-
Total expenditures	<u>186,236</u>	<u>147,107</u>	<u>39,129</u>
Excess of revenues over expenditures	<u>\$ -</u>	39,390	<u>\$ 39,390</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>(39,390)</u>	
Fund balance - end of year		<u>\$ -</u>	

The County of Jefferson, Florida  
Supervisor of Elections

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

Year ended September 30, 2003

	<u>AGENCY FUND</u>
Receipts	
Candidate qualifying fees	\$ <u>1,471</u>
Total receipts	1,471
Disbursements	<u>1,471</u>
Excess of receipts over (under) disbursements	-
Beginning cash balances	<u>-</u>
Ending cash balances	<u>\$ -</u>

**The County of Jefferson, Florida  
Supervisor of Elections**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 1 - REPORTING ENTITY**

Jefferson County, Florida is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board). The Board is responsible for the administration of all departments pursuant to the general laws of Florida.

The Jefferson County Supervisor of Elections (Supervisor) is an elected official of Jefferson County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of Jefferson County, Florida. The Jefferson County Supervisor of Elections is responsible for the administration and operation of the Supervisor's office, and the Jefferson County Supervisor's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Jefferson County, Florida.

The Supervisor funds his operations as a Budget Officer pursuant to Florida Statutes Chapter 129. As a Budget Officer, the operations as Supervisor are approved and funded by the Board. The budgeted receipts from the Board are recorded as revenue on the Supervisor's financial statements. Any excess of revenues received over expenditures are remitted to the Board at year end.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Jefferson County Supervisor of Elections conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Fund Accounting**

The accounts of the Jefferson County Supervisor of Elections are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. 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 Supervisor's funds are as follows:



**The County of Jefferson, Florida  
Supervisor of Elections**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting (Continued)**

**Governmental Fund:**

**General Fund** - The general fund is the general operating fund of the Jefferson County Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Fiduciary Funds:**

**Agency Funds** - The agency funds are used to account for assets held by the Jefferson County Supervisor of Elections as an agent for individuals, private organizations, other governments and/or other funds.

**Measurement Focus**

**Governmental Fund Type** - The general fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Fiduciary Fund Types** - The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Basis of Accounting**

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

**The County of Jefferson, Florida  
Supervisor of Elections**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting** (Continued)

All governmental fund and agency funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Supervisor considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Budgetary Requirements**

General governmental 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 general fund. 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 (GAAP) basis of accounting.

The Jefferson County Supervisor'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 appropriations at the individual fund level. All appropriations lapse at year end.

**Fixed Assets**

General fixed assets are recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor are capitalized at cost in the Board's general fixed asset account group in accordance with Florida Statutes.

**Memorandum Column**

The column captioned "Totals Memorandum Only" is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**The County of Jefferson, Florida  
Supervisor of Elections**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Encumbrances**

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund. There were no encumbrances outstanding at year end.

**NOTE 3 - CASH**

**Cash Deposits**

At September 30, 2003, the carrying amount of the Jefferson County Supervisor's deposits was \$39,390 and the bank balance was \$42,047. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Jefferson County Supervisor of Elections were placed with a local bank under a banking services agreement and are classified as category one credit risk, which means they are insured or collateralized.

**NOTE 4 - EMPLOYEE BENEFITS**

**Pension Plan**

In accordance with Florida law, the Jefferson County Supervisor of Elections participates in the Florida Retirement System (the System), which presently covers all qualified Jefferson County Supervisor of Elections employees. This System was created by the Florida Legislature and is administered by the State of Florida, Department of Administration, Division of Retirement and is a cost-sharing, multi-employer defined benefit public retirement plan available to governmental units within the State of Florida. The payroll for the Jefferson County Supervisor's employees covered by the System was \$89,121. The total payroll for the year ended September 30, 2003 was \$89,749.

**The County of Jefferson, Florida  
Supervisor of Elections**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 4 - EMPLOYEE BENEFITS (continued)**

**Pension Plan (Continued)**

All eligible employees of the Jefferson County Supervisor of Elections participate in the System. Effective July 2, 2001, the System provides vesting of benefits after six years of creditable service. Regular class and Elected Officers' class members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) six years of service and age 62; or 3) the age after 62 the member becomes vested. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest years of earnings. The System also provides death and disability benefits. Benefits are established by Florida Statutes.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Jefferson County Supervisor of Elections, are required to contribute 7.39% of the compensation for regular members and 15.23% for elected officials. During the years ended September 30, 2003, 2002 and 2001, the Jefferson County Supervisor of Elections contributed \$9,963, \$10,595 and \$12,052, respectively. These contributions represented 100% of the Supervisor's required contributions.

Historical information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the comprehensive annual financial report of the State of Florida for the fiscal year ended June 30, 2001.

**MANAGEMENT LETTER  
REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS  
AND COMPLIANCE**

**SUPERVISOR OF ELECTIONS**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
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# BETTS, ROGERS, SCHENCK & JONES

CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL ASSOCIATION

December 2, 2003

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

## MANAGEMENT LETTER

Honorable Marty Bishop  
Supervisor of Elections  
Jefferson County, Florida

We have audited the financial statements of The Jefferson County, Florida, Supervisor of Elections, as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated December 2, 2003.

We have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 2, 2003. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554 (1)(g)1a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, irregularities, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554 (1)(g)1b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)2.), we are required to state whether or not the Jefferson County, Florida, Supervisor of Elections complied with Section 218.415, Florida Statutes, regarding the investment of public funds. We determined the

Jefferson County, Florida, Supervisor of Elections complied with the Florida Statutes with regards to the investment of public funds.

The Rules of the Auditor General (Section 10.554 (1)(g)3.) require that we make recommendations to improve the Jefferson County, Florida, Supervisor of Elections' financial management, accounting procedures, and internal control. Based on our audit, we have no recommendations for improving the financial management, accounting procedures, or internal control.

The Rules of the Auditor General (Sections 10.554 (1)(g) 4a., 4b., 4c1.,4c2., 4c3.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred and were discovered within the scope of the audit; improper or illegal expenditures discovered within the scope of the financial audit that may or may not materially affect the financial statements; improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); failures to properly record financial transactions; and other inaccuracies, shortages, and defalcations and instances of fraud (see Statement on Auditing Standards No. 82) discovered by or that come to the attention of, the auditor. Our audit did not disclose any matters required to be disclosed by Rules of the Auditor General (Sections 10.554(1)(g) 4a., 4b., 4c1., 4c2., 4c3.).

The Rules of the Auditor General (Sections 10.554 (1)(g) 5.) require that we disclose the official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Rule 10.553, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements of the Jefferson County, Florida, Supervisor of Elections.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida, Supervisor of Elections, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for the Jefferson County, Florida, Supervisor of Elections, for the fiscal year ended September 30, 2003, is included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2003. As part of our audit, we applied the financial condition assessment procedures pursuant to Rule 10.556(8) and noted no deteriorating financial conditions.

This management letter is intended for the information of the Jefferson County, Florida, Supervisor of Elections and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Bette Ragan, Schuch & Jones*

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CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL ASSOCIATION

December 2, 2003

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
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FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Marty Bishop  
Supervisor of Elections  
Jefferson County, Florida

We have audited the financial statements of The Jefferson County, Florida Supervisor of Elections as of and for the year ended September 30, 2003, and have issued our report thereon dated December 2, 2003. 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.

### Compliance

As part of obtaining reasonable assurance about whether The Jefferson County, Florida Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Jefferson County, Florida Supervisor of Elections' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in



relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Supervisor of Elections, Board of County Commissioners and State Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Bette, Regen, Schuch & Jones*

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**PROPERTY APPRAISER**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
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DANA D. POWELL, C.P.A.

**BETTS, ROGERS, SCHENCK & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL ASSOCIATION

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

**December 15, 2003**

**INDEPENDENT AUDITOR'S REPORT**

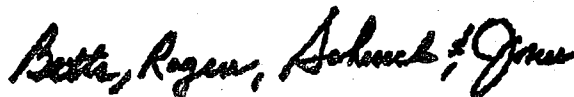
To the Board of County Commissioners  
and the Honorable David W. Ward  
Property Appraiser  
The County of Jefferson, Florida

We have audited the combined balance sheet of the The County of Jefferson, Florida Property Appraiser as of September 30, 2003, and the related statements of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balance of the agency fund for the year then ended. These financial statements are the responsibility of the The County of Jefferson, Florida Property Appraiser. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The County of Jefferson, Florida Property Appraiser as of September 30, 2003, and the results of its operations of the general fund and the recorded cash transactions of the agency fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2003 on our consideration of The County of Jefferson, Florida Property Appraiser's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



**The County of Jefferson, Florida  
Property Appraiser**

**COMBINED BALANCE SHEET**

**September 30, 2003**

	<u>GENERAL FUND</u>	<u>AGENCY FUND (NOTE 2)</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Deposits held in escrow	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	-	-	-
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The County of Jefferson, Florida  
Property Appraiser**

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

**September 30, 2003**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Revenues</b>			
County appropriation	\$392,771	\$392,771	\$ -
Interest earned	-	459	459
Other miscellaneous	-	6,813	6,813
Total revenues	392,771	400,043	7,272
 <b>Expenditures</b>			
Salary of official	83,745	83,745	-
Other salaries and benefits	161,759	149,119	12,640
Operating expenses	124,267	123,381	886
Capital outlay	12,000	11,188	812
Non-Operating	11,000	7,551	3,449
Total expenditures	392,771	374,984	17,787
Excess of revenues over expenditures	\$ -	25,059	\$ 25,059
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		-	
Fund balance - end of year		\$ -	

**The County of Jefferson, Florida  
Property Appraiser**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE**

**September 30, 2003**

	<u>AGENCY FUND</u>
Receipts	
Aerial print and map sales	\$ 1,896
Real property tag fees	21
Water Management District Commissions	<u>4,059</u>
Total receipts	<u>5,976</u>
 Disbursements	
Board of County Commissioners	<u>5,976</u>
 Excess of receipts over (under) disbursements	-
 Beginning cash balance	<u>-</u>
 Ending cash balance	<u>\$ -</u>

**The County of Jefferson, Florida  
Property Appraiser**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 1 - REPORTING ENTITY**

Jefferson County, Florida is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board). The Board is responsible for the administration of all departments pursuant to the general laws of Florida.

The Jefferson County Property Appraiser is an elected official of Jefferson County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of Jefferson County, Florida. The Jefferson County Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Jefferson County Property Appraiser's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Jefferson County, Florida.

The Jefferson County Property Appraiser funds his operations as a Budget Officer pursuant to Florida Statutes Chapter 195. As a Budget Officer, the operations as Property Appraiser are approved and funded by the Board. The budgeted receipts from the Board are recorded as revenue on the Property Appraiser's financial statements. Any excess of revenues received over expenditures are remitted to the Board at year end.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Jefferson County Property Appraiser conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Fund Accounting**

The accounts of the Jefferson County Property Appraiser are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. 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 Jefferson County Property Appraiser's funds are as follows:

**The County of Jefferson, Florida  
Property Appraiser**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting (Continued)**

**Governmental Fund:**

**General Fund** - The general fund is the general operating fund of the Jefferson County Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Fiduciary Funds:**

**Agency Funds** - The agency funds are used to account for assets held by the Jefferson County Property Appraiser as an agent for individuals, private organizations, other governments and/or other funds.

**Measurement Focus**

**Governmental Fund Type** - The general fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Fiduciary Fund Types** - The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Basis of Accounting**

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



**The County of Jefferson, Florida  
Property Appraiser**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting (Continued)**

All governmental fund and agency funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Budgetary Requirements**

General governmental 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 general fund. 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 (GAAP) basis of accounting.

The Jefferson County Property Appraiser'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 appropriations at the individual fund level. All appropriations lapse at year end.

**Fixed Assets**

General fixed assets are recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Jefferson County Property Appraiser are capitalized at cost in the Board's general fixed asset account group in accordance with Florida Statutes.

**Memorandum Column**

The column captioned "Totals Memorandum Only" is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Encumbrances**

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund. There were no encumbrances outstanding at year end.

**The County of Jefferson, Florida  
Property Appraiser**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 3 - CASH**

**Cash Deposits**

At September 30, 2003, the carrying amount of the Jefferson County Property Appraiser's deposits was \$81,044 and the bank balance was \$0. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Jefferson County Property Appraiser were placed with a local bank under a banking services agreement and are classified as category one credit risk, which means they are insured or collateralized.

**NOTE 4 - EMPLOYEE BENEFITS**

**Pension Plan**

In accordance with Florida law, the Jefferson County Property Appraiser participates in the Florida Retirement System (the System), which presently covers all qualified Jefferson County Property Appraiser employees. This System was created by the Florida Legislature and is administered by the State of Florida, Department of Administration, Division of Retirement and is a cost-sharing, multi-employer defined benefit public retirement plan available to governmental units within the State of Florida. The payroll for the Jefferson County Property Appraiser employees covered by the System was \$199,541. The total payroll for the year ended September 30, 2003 was \$199,541.

All eligible employees of the Jefferson County Property Appraiser participate in the System. Effective July 1, 2001, the System provides vesting of benefits after six years of creditable service. Regular class and Elected Officers' class members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) six years of service and age 62; or 3) the age after 62 the member becomes vested. Early retirement may be taken any time after vesting, however, there is a 5% benefit reduction for each year prior

**County of Jefferson, Florida  
Property Appraiser**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 4 - EMPLOYEE BENEFITS (Continued)**

**Pension Plan (Continued)**

to normal retirement. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest years of earnings. The System also provides death and disability benefits. Benefits are established by Florida Statutes.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Jefferson County Property Appraiser, are required to contribute 7.39% of the compensation for regular members and 15.23% for elected officials. During the years ended September 30, 2003, 2002, and 2001, the Jefferson County Property Appraiser contributed \$17,445, \$20,418 and \$23,449, respectively. These contributions represented 100% of the Property Appraiser's required contributions.

Historical information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the comprehensive annual financial report of the State of Florida for the fiscal year ended June 30, 2001.

**MANAGEMENT LETTER  
REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS  
AND COMPLIANCE**

**PROPERTY APPRAISER**

**THE COUNTY OF JEFFERSON, FLORIDA**

**September 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
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FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 15, 2003

**MANAGEMENT LETTER**

Honorable David W. Ward  
Property Appraiser  
Jefferson County, Florida

We have audited the financial statements of the Jefferson County, Florida Property Appraiser, as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated December 15, 2003.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 15, 2003. Disclosures in that report, if any, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554 (1)(g)1a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, irregularities, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554 (1)(g)1b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)2.), we are required to state whether or not the Jefferson County, Florida Property Appraiser complied with Section 218.415, Florida Statutes, regarding the investment of public funds. We determined the Jefferson County, Florida Property Appraiser complied with the Florida Statutes with regards to the investment of public funds.

The Rules of the Auditor General (Section 10.554 (1)(g)3.) require that we make recommendations to improve the Jefferson County, Florida, Property Appraiser's financial management, accounting procedures, and internal control. Based on our audit, we recommend the Jefferson County, Florida Property Appraiser implement the use of a prenumbered cash receipts book when collecting money from the sale of aerial prints and maps, etc.

The Rules of the Auditor General (Sections 10.554 (1)(g) 4a., 4b., 4c1.,4c2., 4c3.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred and were discovered within the scope of the audit; improper or illegal expenditures discovered within the scope of the financial audit that may or may not materially affect the financial statements; improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); failures to properly record financial transactions; and other inaccuracies, shortages, and defalcations and instances of fraud (see Statement on Auditing Standards No. 82) discovered by or that come to the attention of, the auditor. Our audit did not disclose any matters required to be disclosed by Rules of the Auditor General (Sections 10.554(1)(g) 4a., 4b., 4c1., 4c2., 4c3.).

The Rules of the Auditor General (Sections 10.554 (1)(g) 5.) require that we disclose the official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Rule 10.553, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements of the Jefferson County, Florida Property Appraiser.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida Property Appraiser, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for the Jefferson County, Florida Property Appraiser, for the fiscal year ended September 30, 2003, is included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2003. As part of our audit, we applied the financial condition assessment procedures pursuant to Rule 10.556(8) and noted no deteriorating financial conditions.

This management letter is intended for the information of the Jefferson County, Florida Property Appraiser and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Bette, Rogan, Schuch, & Jones*

BEN F. BETTS, JR., C.P.A.  
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FLORIDA INSTITUTE OF CERTIFIED  
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December 15, 2003

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

To the Honorable David W. Ward  
Property Appraiser  
Jefferson County, Florida

We have audited the financial statements of The Jefferson County, Florida Property Appraiser as of and for the year ended September 30, 2003, and have issued our report thereon dated December 15, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Jefferson County, Florida Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Jefferson County, Florida Property Appraiser's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no

matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Property Appraiser, Board of County Commissioners and State Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Bette, Regen, Schuch, & Jones*



**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**TAX COLLECTOR**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
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DANA D. POWELL, C.P.A.

# BETTS, ROGERS, SCHENCK & JONES

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FLORIDA INSTITUTE OF CERTIFIED  
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December 23, 2003

## INDEPENDENT AUDITOR'S REPORT

The Board of County Commissioners  
and the Honorable Lois H. Hunter,  
Tax Collector  
The County of Jefferson, Florida

We have audited the combined balance sheet of The County of Jefferson, Florida Tax Collector, as of September 30, 2003, and the related statements of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balances of the agency funds for the year then ended. These financial statements are the responsibility of The County of Jefferson, Florida Tax Collector. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable in financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The County of Jefferson, Florida Tax Collector, as of September 30, 2003, and the results of operations of the general fund and the recorded cash transactions of the agency funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 23, 2003 on our consideration of The County of Jefferson, Florida Tax Collector's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



**The County of Jefferson, Florida  
Tax Collector**

**COMBINED BALANCE SHEET**

**September 30, 2003**

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ 95,061	\$ 286,078	\$ 381,139
Due from Individuals	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 95,061</u>	<u>\$ 286,078</u>	<u>\$ 381,139</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Due to other agencies	\$ 95,061	\$ 286,078	\$ 381,139
Deposits held in escrow	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	95,061	286,078	381,139
Fund balances			
Total liabilities and fund balances	<u>\$ 95,061</u>	<u>\$ 286,078</u>	<u>\$ 381,139</u>

The County of Jefferson, Florida  
Tax Collector

COMING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 2003

	<u>TAX ACCOUNT</u>	<u>TAG ACCOUNT</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ <u>168,176</u>	\$ <u>117,902</u>	\$ <u>286,078</u>
Total assets	\$ <u>168,176</u>	\$ <u>117,902</u>	\$ <u>286,078</u>
<b>LIABILITIES</b>			
Liabilities			
Due to other agencies	\$ <u>168,176</u>	\$ <u>117,902</u>	\$ <u>286,078</u>
Total liabilities	\$ <u>168,176</u>	\$ <u>117,902</u>	\$ <u>286,078</u>

**The County of Jefferson, Florida  
Tax Collector**

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

**Year ended September 30, 2003**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$397,776	\$398,428	\$ 652
Fees and other	-	26,428	26,428
Total revenues	397,776	424,856	27,080
Expenditures			
Personal services	242,890	242,890	-
Operating expenses	154,886	86,905	67,981
Capital outlay	-	-	-
Total expenditures	397,776	329,795	67,981
Excess of revenues over expenditures	\$ -	95,061	\$ 95,061
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		(95,061)	
Fund balance - end of year		\$ -	

**The County of Jefferson, Florida  
Tax Collector**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE**

**September 30, 2003**

	AGENCY FUNDS		TOTALS (MEMORANDUM ONLY)
	TAX ACCOUNT	TAG ACCOUNT	
<b>Receipts</b>			
Real and personal property taxes	\$ 7,693,865	\$ -	\$ 7,693,865
Special assessments	2,636	-	2,636
Tax certificates redeemed	471,859	-	471,859
Other	35,710	4,842	40,552
Motor vehicle tags and titles	-	3,950,008	3,950,008
Sales tax	-	3,285,559	3,285,559
Hunting and fishing licenses	-	56,378	56,378
Driver licenses	-	54,422	54,422
Interest	73	89	162
Fees	-	245,960	245,960
	<u>-</u>	<u>245,960</u>	<u>245,960</u>
Total receipts	<u>8,204,143</u>	<u>7,597,258</u>	<u>15,801,401</u>
<b>Disbursements</b>			
Disbursement of real and personal property taxes State of Florida	7,643,829	-	7,643,829
Proceeds - tax certificates redeemed	-	7,402,997	7,402,997
Other	491,190	-	491,190
Fees reverting to Board of County Commissioners	37,381	50	37,431
	<u>-</u>	<u>255,738</u>	<u>255,738</u>
Total disbursements	<u>8,172,400</u>	<u>7,658,785</u>	<u>15,831,185</u>
Excess of receipts over (under) disbursements	31,743	(61,527)	(29,784)
Beginning cash balances	<u>136,433</u>	<u>179,429</u>	<u>315,862</u>
Ending cash balances	<u>\$ 168,176</u>	<u>\$ 117,902</u>	<u>\$ 286,078</u>

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida  
Tax Collector**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 1 - REPORTING ENTITY**

Jefferson County, Florida is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board). The Board is responsible for the administration of all departments pursuant to the general laws of Florida.

The Jefferson County Tax Collector is an elected official of Jefferson County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of Jefferson County, Florida. The Jefferson County Tax Collector is responsible for the administration and operation of the Tax Collector's office, and the Jefferson County Tax Collector's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Jefferson County, Florida.

The Jefferson County Tax Collector funds her operations as a Budget Officer pursuant to Florida Statutes Chapters 195, 145 and 129. As a Budget Officer, the operations as Tax Collector are approved and funded by the Board. The budgeted receipts from the Board are recorded as revenue on the Tax Collector's financial statements. Any excess of revenues received over expenditures are remitted to the Board at year end.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Jefferson County Tax Collector conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Fund Accounting**

The accounts of the Jefferson County Tax Collector are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. 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 Jefferson County Tax Collector's funds are as follows:

The County of Jefferson, Florida  
Tax Collector

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting** (Continued)

**Governmental Fund:**

**General Fund** - The general fund is the general operating fund of the Jefferson County Tax Collector. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Fiduciary Funds:**

**Agency Funds** - The agency funds are used to account for assets held by the Jefferson County Tax Collector as an agent for individuals, private organizations, other governments and/or other funds.

**Measurement Focus**

**Governmental Fund Type** - The general fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Fiduciary Fund Types** - The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Basis of Accounting**

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



**The County of Jefferson, Florida  
Tax Collector**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting** (Continued)

All governmental fund and agency funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Tax Collector considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Budgetary Requirements**

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with Florida Statutes. An annual budget is adopted for the general fund. 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 (GAAP) basis of accounting.

The Jefferson County Tax Collector'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 appropriations at the individual fund level. All appropriations lapse at year end.

**Fixed Assets**

General fixed assets are recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Jefferson County Tax Collector are capitalized at cost in the Board's general fixed asset account group in accordance with Florida Statutes.

**Memorandum Column**

The column captioned "Totals Memorandum Only" is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Encumbrances**

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund. There were no encumbrances outstanding at year end.

**The County of Jefferson, Florida  
Tax Collector**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 3 - CASH**

**Cash Deposits**

At September 30, 2003 the carrying amount of the Jefferson County Tax Collector's deposits was \$381,139 and the bank balance was \$506,691. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Jefferson County Tax Collector were placed with local banks under banking services agreements and are classified as category one credit risk, which means they are insured or collateralized.

**NOTE 4 - EMPLOYEE BENEFITS**

**Pension Plan**

In accordance with Florida law, the Jefferson County Tax Collector participates in the Florida Retirement System (the System), which presently covers all qualified Jefferson County Tax Collector employees. This System was created by the Florida Legislature and is administered by the State of Florida, Department of Administration, Division of Retirement and is a cost-sharing, multi-employer defined benefit public retirement plan available to governmental units within the State of Florida. The payroll for the Jefferson County Tax Collector's employees covered by the System was \$209,359. The total payroll for the year ended September 30, 2003 was \$210,143.

All eligible employees of the Jefferson County Tax Collector participate in the System. Effective July 1, 2001, the System provides vesting of benefits after six years of creditable service. Regular class and Elected Officers' class members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) six years of service and age 62; or 3) the age after 62 the member becomes vested. Early retirement may be taken any time after vesting, however, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest years of earnings. The System also provides death and disability benefits. Benefits are established by Florida Statutes.

**The County of Jefferson, Florida  
Tax Collector**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 4 - EMPLOYEE BENEFITS (Continued)**

**Pension Plan (Continued)**

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Jefferson County Tax Collector, are required to contribute 7.39% of the compensation for regular members and 15.23% for elected officials. During the years ended September 30, 2003, 2002, and 2001, the Jefferson County Tax Collector contributed \$18,066, \$20,595 and \$23,555, respectively. These contributions represented 100% of the Tax Collector's required contributions.

**MANAGEMENT LETTER  
REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS  
AND COMPLIANCE**

**THE COUNTY OF JEFFERSON, FLORIDA**

**TAX COLLECTOR**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
RODNEY E. REAMS, C.P.A.  
DENNIS E. SCARRY, C.P.A.  
DANA D. POWELL, C.P.A.

**BETTS, ROGERS, SCHENCK & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL ASSOCIATION

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 23, 2003

**MANAGEMENT LETTER**

Honorable Lois H. Hunter  
Tax Collector  
Jefferson County, Florida

We have audited the financial statements of The County of Jefferson, Florida Tax Collector, as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated December 23, 2003.

We have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 23, 2003. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554 (1)(g)1a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and/or violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, irregularities, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554 (1)(g)1b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)2.), we are required to state whether or not the Jefferson County, Florida, Tax Collector complied with Section 218.415, Florida Statutes, regarding the investment of public funds. We determined that The County of

Jefferson, Florida Tax Collector complied with the Florida Statutes with regard to the investment of public funds.

The rules of the Auditor General (Section 10.554 (1)(g)3.) require that we make recommendations to improve the Jefferson County, Florida, Tax Collector financial management, accounting procedures, and internal control. Based on our audit, we determined there are no recommendations needed to improve The County of Jefferson, Florida Tax Collector's financial management, accounting procedures, and internal control.

The Rules of the Auditor General (Sections 10.554 (1)(g) 4a., 4b, 4cl., 4c2., 4c3.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on the compliance and internal controls or schedule of findings and questioned costs: violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred and were discovered within the scope of the audit; improper or illegal expenditures discovered within the scope of the financial audit that may or may not materially affect the financial statements; improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); failures to properly record financial transactions; and other inaccuracies, shortages, and defalcations and instances of fraud (see Statement on Auditing Standards No. 82) discovered by or that come to the attention of, the auditor. Our audit did not disclose any matters required to be disclosed by Rules of the Auditor General (Sections 10.554 (1)(g) 4a., 4b., 4cl., 4c2., 4c3.).

The Rules of the Auditor General (Sections 10.554 (1)(g)5.) require that we disclose the official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Rule 10.553, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements of The County of Jefferson, Florida Tax Collector.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that The County of Jefferson, Florida Tax Collector, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for the Jefferson County, Florida, Tax Collector, for the fiscal year ended September 30, 2003, is included in the combined Jefferson County financial report filed with the Department of Banking and Finance pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2003.

As part of our audit, we applied the financial condition assessment procedures pursuant to Rule 10.556(8) and noted no deteriorating financial condition.

This management letter is intended for the information of The County of Jefferson, Florida Tax Collector and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Bette Ragan, Schuch & Jones*

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
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DANA D. POWELL, C.P.A.

# BETTS, ROGERS, SCHENCK & JONES

CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL ASSOCIATION

December 23, 2003

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Lois H. Hunter  
Tax Collector  
Jefferson County, Florida

We have audited the financial statements of The County of Jefferson, Florida Tax Collector as of and for the year ended September 30, 2003, and have issued our report thereon dated December 23, 2003. 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.

### Compliance

As part of obtaining reasonable assurance about whether The County of Jefferson, Florida Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered The County of Jefferson, Florida Tax Collector's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in

relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Tax Collector, Board of County Commissioners and State Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Bette, Regen, Schuch & Jones*



**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**THE COUNTY OF JEFFERSON, FLORIDA  
SHERIFF**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
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**BETTS, ROGERS, SCHENCK & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL ASSOCIATION

December 23, 2003

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
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FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

The Board of County Commissioners  
and the Honorable Kenneth W.  
Fortune, Sheriff  
The County of Jefferson, Florida

We have audited the combined balance sheet of The County of Jefferson, Florida Sheriff, as of September 30, 2003, and the related combining balance sheet, statements of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balances of the agency funds for the year then ended. These financial statements are the responsibility of The County of Jefferson, Florida Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The County of Jefferson, Florida Sheriff, as of September 30, 2003, and the results of its operations of the general fund and the recorded cash transactions of the agency funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2003 on our consideration of The County of Jefferson, Florida Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Betts, Rogers, Schenck & Jones*  
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The County of Jefferson, Florida  
Sheriff

COMBINED BALANCE SHEET

September 30, 2003

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ 78,775	\$ 122,478	\$ 201,253
Total assets	<u>\$ 78,775</u>	<u>\$ 122,478</u>	<u>\$ 201,253</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Deposits held in escrow	\$ -	\$ 122,478	\$ 122,478
Due to other agencies	<u>78,775</u>	<u>-</u>	<u>78,775</u>
Total liabilities	<u>\$ 78,775</u>	<u>\$ 122,478</u>	<u>\$ 201,253</u>

The County of Jefferson, Florida  
 Sheriff

COMING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 2003

	<u>INDIVIDUAL DEPOSITORS</u>	<u>CASH APPEARANCE BOND</u>	<u>PRISONERS WELFARE</u>	<u>COMMISSARY</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>					
Cash	\$ 430	\$ 14,726	\$ 103,229	\$ 4,093	\$ 122,478
Total assets	<u>\$ 430</u>	<u>\$ 14,726</u>	<u>\$ 103,229</u>	<u>\$ 4,093</u>	<u>\$ 122,478</u>
<b>LIABILITIES</b>					
Liabilities					
Deposits held in escrow	\$ 430	\$ 14,726	\$ 103,229	\$ 4,093	\$ 122,478
Total liabilities	<u>\$ 430</u>	<u>\$ 14,726</u>	<u>\$ 103,229</u>	<u>\$ 4,093</u>	<u>\$ 122,478</u>

**The County of Jefferson, Florida  
Sheriff**

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

**Year ended September 30, 2003**

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$2,300,000	\$2,300,000	\$ -
Interest earned	-	6,580	6,580
Total revenues	2,300,000	2,306,580	6,580
Expenditures			
Personal services	1,499,000	1,498,149	851
Operating expenses	517,000	516,316	684
Capital outlay	284,000	251,223	32,777
Total expenditures	2,300,000	2,265,688	34,312
Excess of revenues over expenditures	\$ -	40,892	\$ 40,892
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		(40,892)	
Fund balance - end of year		\$ -	

The County of Jefferson, Florida  
 Sheriff

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

September 30, 2003

	AGENCY FUNDS				TOTALS (MEMORANDUM ONLY)
	INDIVIDUAL DEPOSITORS	CASH APPEARANCE BOND	PRISONERS WELFARE	COMMISSARY	
<b>Receipts</b>					
Deposits received	\$ 11,290	\$ -	\$ 37,213	\$ 54,577	\$ 103,080
Cash appearance Bonds	-	72,896	-	-	72,896
Interest	-	-	1,266	-	1,266
<b>Total receipts</b>	<u>11,290</u>	<u>72,896</u>	<u>38,479</u>	<u>54,577</u>	<u>177,242</u>
<b>Disbursements</b>					
Disbursed to:					
Board of County Commissioners	11,020	-	-	-	11,020
Clerk of the Circuit Court	-	23,642	-	-	23,642
Others	-	48,897	40,282	53,745	142,924
<b>Total disbursements</b>	<u>11,020</u>	<u>72,539</u>	<u>40,282</u>	<u>53,745</u>	<u>177,586</u>
Excess of receipts over (under) disbursements	270	357	(1,803)	832	(344)
Beginning cash balances	<u>160</u>	<u>14,369</u>	<u>105,032</u>	<u>3,261</u>	<u>122,822</u>
Ending cash balances	<u>\$ 430</u>	<u>\$ 14,726</u>	<u>\$ 103,229</u>	<u>\$ 4,093</u>	<u>\$ 122,478</u>

**The County of Jefferson, Florida  
Sheriff**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 1 - REPORTING ENTITY**

Jefferson County, Florida is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board). The Board is responsible for the administration of all departments pursuant to the general laws of Florida.

The Jefferson County Sheriff is an elected official of Jefferson County, Florida pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d), and is a part of the primary government of Jefferson County, Florida. The Jefferson County Sheriff is responsible for the administration and operation of the Sheriff's office, and the Jefferson County Sheriff's financial statements do not include the financial statements of the Board or the other Constitutional Officers of Jefferson County, Florida.

The Jefferson County Sheriff funds his operations as a Budget Officer pursuant to Florida Statutes. As a Budget Officer, the operations as Sheriff are approved and funded by the Board. The budgeted receipts from the Board are recorded as revenue on the Sheriff's financial statements. Any excess of revenues received over expenditures are remitted to the Board at year end.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Jefferson County Sheriff conform to generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these financial statements.

**Fund Accounting**

The accounts of the Jefferson County Sheriff are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. 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 Jefferson County Sheriff's funds are as follows:

The County of Jefferson, Florida  
Sheriff

NOTES TO FINANCIAL STATEMENTS

September 30, 2003

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting** (Continued)

**Governmental Fund:**

**General Fund** - The general fund is the general operating fund of the Jefferson County Sheriff. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Fiduciary Funds:**

**Agency Funds** - The agency funds are used to account for assets held by the Jefferson County Sheriff as an agent for individuals, private organizations, other governments and/or other funds.

**Measurement Focus**

**Governmental Fund Type** - The general fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Fiduciary Fund Types** - The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Basis of Accounting**

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



**The County of Jefferson, Florida  
Sheriff**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting** (Continued)

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Agency funds are accounted for using the cash receipts and disbursements basis of accounting.

**Budgetary Requirements**

General governmental 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 general fund. 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 (GAAP) basis of accounting.

The Jefferson County Sheriff'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 appropriations at the individual fund level. All appropriations lapse at year end.

**Fixed Assets**

General fixed assets are recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Jefferson County Sheriff are capitalized at cost in the general fixed asset account group in accordance with Florida Statutes.

**Memorandum Column**

The column captioned "Totals Memorandum Only" is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**The County of Jefferson, Florida  
Sheriff**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Encumbrances**

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund. There were no encumbrances outstanding at year end.

**NOTE 3 - CASH**

**Cash Deposits**

At September 30, 2003, the carrying amount of the Jefferson County Sheriff's deposits was \$200,823 and the bank balance was \$ 488,832. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral calculated according to formulas established by Chapter 280. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Jefferson County Sheriff were placed with a local bank under a banking services agreement and are classified as category one credit risk, which means they are insured or collateralized.

**NOTE 4 - EMPLOYEE BENEFITS**

**Pension Plan**

In accordance with Florida law, the Jefferson County Sheriff participates in the Florida Retirement System (the System), which presently covers all qualified Jefferson County Sheriff employees. This System was created by the Florida Legislature and is administered by the State of Florida, Department of Administration, Division of Retirement and is a cost-sharing, multi-employer defined benefit public retirement plan available to governmental units within the State of Florida. The payroll for the Jefferson County Sheriff employees covered by the System was \$1,245,035. The total payroll for the year ended September 30, 2003 was \$1,245,035.

**The County of Jefferson, Florida  
Sheriff**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2003**

**NOTE 4 - EMPLOYEE BENEFITS (Continued)**

All eligible employees of the Jefferson County Sheriff participate in the System. The System provides vesting of benefits after six years of creditable service. Regular class and Elected Officers' class members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) six years of service and age 62; or 3) the age after 62 the member becomes vested. Special Risk class members are eligible for normal retirement after they have met one of the following: 1) six years of special risk service and age 55; 2) twenty five years of service, consisting of special risk service and up to four years of military, and age 52; 3) twenty five years of special risk service, regardless of age; or 4) thirty years of any creditable service, regardless of age. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest years of earnings. The System also provides death and disability benefits. Benefits are established by Florida Statutes.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Jefferson County Sheriff, are required to contribute 7.39% of the compensation for regular members, 18.53% for special risk employees, and 15.23% for elected officials. During the year ended September 30, 2003, 2002, and 2001 the Jefferson County Sheriff contributed \$159,624, \$178,519, and \$172,704, respectively to the System for covered employees. These contributions represented 100% of the Sheriff's required contributions.

**MANAGEMENT LETTER  
REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS  
AND COMPLIANCE**

**THE COUNTY OF JEFFERSON, FLORIDA  
SHERIFF**

**SEPTEMBER 30, 2003**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
RODNEY E. REAMS, C.P.A.  
DENNIS E. SCARRY, C.P.A.  
DANA D. POWELL, C.P.A.

**BETTS, ROGERS, SCHENCK & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL ASSOCIATION

MEMBERS  
PRIVATE COMPANIES  
PRACTICE SECTION OF THE  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 23, 2003

**MANAGEMENT LETTER**

Honorable Kenneth W. Fortune  
Sheriff  
Jefferson County, Florida

We have audited the financial statements of The County of Jefferson, Florida Sheriff, as of and for the fiscal year ended September 30, 2003, and have issued our report thereon dated December 23, 2003.

We have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 23, 2003. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554 (1)(g)1a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, irregularities, shortages, defalcations, fraud, and violations of laws, rules, regulations and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554 (1)(g)1b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding annual financial audit report.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)2.), we are required to state whether or not The County of Jefferson, Florida Sheriff complied with Section 218.415, Florida Statutes, regarding the investment of public funds. We determined The County of

Jefferson, Florida Sheriff complied with the Florida Statutes with regards to the investment of public funds.

The Rules of the Auditor General (Section 10.554 (1)(g)3.) require that we make recommendations to improve The County of Jefferson, Florida Sheriff's financial management, accounting procedures, and internal control. Based on our audit, we have no recommendations for improving the financial management, accounting procedures, or internal control.

The Rules of the Auditor General (Sections 10.554 (1)(g) 4a., 4b., 4c1.,4c2., 4c3.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs: violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred and were discovered within the scope of the audit; improper or illegal expenditures discovered within the scope of the financial audit that may or may not materially affect the financial statements; improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); failures to properly record financial transactions; and other inaccuracies, shortages, and defalcations and instances of fraud (see Statement on Auditing Standards No. 82) discovered by or that come to the attention of, the auditor. Our audit did not disclose any matters required to be disclosed by Rules of the Auditor General (Sections 10.554(1)(g) 4a., 4b., 4c1., 4c2., 4c3.).

The Rules of the Auditor General (Sections 10.554 (1)(g) 5.) require that we disclose the official title and legal authority for the primary government and each component unit of the reporting entity as defined in publications cited in Rule 10.553, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements of The County of Jefferson, Florida Sheriff.

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that The County of Jefferson, Florida Sheriff, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for The County of Jefferson, Florida Sheriff, for the fiscal year ended September 30, 2003, is included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2003. As part of our audit, we applied the financial condition assessment procedures pursuant to Rule 10.556(8) and noted no deteriorating financial conditions.

This management letter is intended for the information of The County of Jefferson, Florida Sheriff and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Bette, Roger, Schuch, & Jones*

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FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 23, 2003

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

Honorable Kenneth W. Fortune  
Sheriff  
Jefferson County, Florida

We have audited the financial statements of The County of Jefferson, Florida Sheriff as of and for the year ended September 30, 2003, and have issued our report thereon dated December 23, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether The County of Jefferson, Florida Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The County of Jefferson, Florida Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be a material in relation to the financial statements being audited may occur and not be detected within a timely period by

employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of The County of Jefferson, Florida Sheriff, Board of County Commissioners and State Auditor General. However, this report is a matter of public record and its distribution is not limited.

*Betta, Rogers, Schuch & Jones*