

THE COUNTY OF JEFFERSON, FLORIDA
COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2001

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AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

February 4, 2002

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the County of Jefferson, Florida, as of and for the year ending September 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based upon our audit.

We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, (1994 Revision), and any amendments thereto, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Jefferson, Florida, as of September 30, 2001, and the results of its operations 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 February 4, 2002, 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 considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents as supplemental information are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Bette Royce, Alameda & Jones

The County of Jefferson, Florida
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 2001

ASSETS	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
Cash	\$ 79,738	\$1,718,633	\$1,027,409	\$ -
Investments (Note B)	1,616,904	309,649	-	269,615
Accounts receivable (Note C)	418,141	-	-	-
Accrued interest receivable	4,876	48	5,270	-
Due from other governments	456,510	298,243	-	-
Due from other agencies	-	226,232	-	-
Due from other funds (Note I)	-	2,597,192	-	-
Inventory of supplies (Note D)	-	150,512	-	-
Fixed assets (Note K)	-	-	-	-
Amount to be provided	-	-	-	-
Total assets	<u>\$2,576,169</u>	<u>\$5,300,509</u>	<u>\$1,032,679</u>	<u>\$269,615</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Revenue bonds payable (Note E)	\$ -	\$ -	\$ -	\$ -
Installment purchase obligations (Note E)	-	-	-	-
Accounts payable	69,534	209,019	-	-
Due to other governments	-	5,044	-	-
Due to other agencies	-	-	-	-
Due to other funds (Note I)	1,145,401	684,323	654,358	113,110
Deposits held in escrow	4,840	-	-	-
Contingencies (Note F)	-	-	-	-
Total liabilities	<u>1,219,775</u>	<u>898,386</u>	<u>654,358</u>	<u>113,110</u>
Fund equity				
Investment in general fixed assets	-	-	-	-
General fixed assets acquired by gift	-	-	-	-
Fund balances				
Reserved (Note M)	-	489,652	378,321	156,505
Unreserved - Undesignated	<u>1,356,394</u>	<u>3,912,471</u>	<u>-</u>	<u>-</u>
Total fund equity	<u>1,356,394</u>	<u>4,402,123</u>	<u>378,321</u>	<u>156,505</u>
Total liabilities and fund equity	<u>\$2,576,169</u>	<u>\$5,300,509</u>	<u>\$1,032,679</u>	<u>\$269,615</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 2001

<u>ASSETS</u>	<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUP</u>		<u>TOTAL (Note G) (MEMORANDUM ONLY)</u>
		<u>AGENCY</u>	<u>GENERAL FIXED ASSETS</u>	
Cash	\$694,295	\$ -	\$ -	\$3,520,075
Investments (Note B)	-	-	-	2,196,168
Accounts receivable (Note C)	-	-	-	418,141
Accrued interest receivable	-	-	-	10,194
Due from other governments	-	-	-	754,753
Due from other agencies	-	-	-	226,232
Due from other funds (Note I)	-	-	-	2,597,192
Inventory of supplies (Note D)	-	-	-	150,512
Fixed assets (Note K)	-	13,714,101	-	13,714,101
Amounts to be provided	-	-	3,650,394	3,650,394
Total assets	\$694,295	\$13,714,101	\$3,650,394	\$27,237,762
LIABILITIES AND FUND EQUITY				
Liabilities				
Revenue bonds payable (Note E)	\$ -	\$ -	\$3,330,000	\$ 3,330,000
Installment purchase obligations (Note E)	-	-	320,394	320,394
Accounts payable	-	-	-	278,553
Due to other governments	130,517	-	-	135,561
Due to other agencies	209,500	-	-	209,500
Due to other funds (Note I)	-	-	-	2,597,192
Deposits held in escrow	354,278	-	-	359,118
Contingencies (Note F)	-	-	-	-
Total liabilities	694,295	-	3,650,394	7,230,318
Fund equity				
Investment in general fixed assets	-	12,025,770	-	12,025,770
General fixed assets acquired by gift	-	1,688,331	-	1,688,331
Fund balances				
Reserved (Note M)	-	-	-	1,024,478
Unreserved - Undesignated	-	-	-	5,268,865
Total fund equity	-	13,714,101	-	20,007,444
Total liabilities and fund equity	\$694,295	\$13,714,101	\$3,650,394	\$27,237,762

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 2001

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>TOTAL MEMORANDUM ONLY (NOTE G)</u>
Revenues					
Intergovernmental revenues	\$1,524,011	\$ 2,863,311	\$ -	\$ 290,686	\$ 4,678,008
Taxes	2,388,174	1,914,273	-	-	4,302,447
Fines and costs	-	403,928	-	-	403,928
Charges for services	913,161	66,880	-	-	980,041
Licenses and permits	197,111	-	-	-	197,111
Miscellaneous revenues	74,990	1,191,521	66,569	4,794	1,337,874
Total revenues	<u>5,097,447</u>	<u>6,439,913</u>	<u>66,569</u>	<u>295,480</u>	<u>11,899,409</u>
Expenditures					
General government	1,649,047	-	-	-	1,649,047
Public safety	1,132,084	2,700,483	-	-	3,832,567
Transportation	-	2,435,358	152,800	-	2,588,158
Physical environment	483,303	1,047,727	-	-	1,531,030
Economic environment	2,703	816,587	-	-	819,290
Human services	257,988	-	-	-	257,988
Culture and recreation	358,419	-	-	-	358,419
Debt service	14,568	76,585	-	840,028	931,181
Total expenditures	<u>3,898,112</u>	<u>7,076,740</u>	<u>152,800</u>	<u>840,028</u>	<u>11,967,680</u>
Excess of revenues over (under) expenditures	1,199,335	(636,827)	(86,231)	(544,548)	(68,271)
Other financing sources (uses)					
Operating transfers in	-	2,160,476	-	165,135	2,325,611
Operating transfers (out)	(2,132,541)	(193,070)	-	-	(2,325,611)
Debt proceeds	-	151,811	-	-	151,811
Excess of revenues and other financing sources over (under) expenditures and other uses	(933,206)	1,482,390	(86,231)	(379,413)	83,540
Fund balances - beginning of year	<u>2,289,600</u>	<u>2,919,733</u>	<u>464,552</u>	<u>535,918</u>	<u>6,209,803</u>
Fund balances - end of year	<u>\$1,356,394</u>	<u>\$4,402,123</u>	<u>\$ 378,321</u>	<u>\$ 156,505</u>	<u>\$ 6,293,343</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 2001

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$1,385,104	\$1,524,011	\$ 138,907	\$3,142,810	\$2,863,311	\$ (279,499)
Taxes	2,346,993	2,388,174	41,181	1,906,609	1,914,273	7,664
Fines and costs	-	-	-	368,500	403,928	35,428
Charges for services	434,000	913,161	479,161	40,000	66,880	26,880
Licenses and permits	197,985	197,111	(874)	-	-	-
Miscellaneous revenues	-	74,990	74,990	1,144,401	1,191,521	47,120
Total revenues	<u>4,364,082</u>	<u>5,097,447</u>	<u>733,365</u>	<u>6,602,320</u>	<u>6,439,913</u>	<u>(162,407)</u>
Expenditures						
General government	2,090,946	1,649,047	441,899	-	-	-
Public safety	1,228,669	1,146,652	82,017	2,841,694	2,700,483	141,211
Transportation	-	-	-	2,159,096	2,360,132	(201,036)
Physical environment	509,743	483,303	26,440	1,062,646	1,047,727	14,919
Economic environment	2,600	2,703	(103)	1,515,303	816,587	698,716
Human services	223,400	257,988	(34,588)	-	-	-
Culture and recreation	349,317	358,419	(9,102)	-	-	-
Total expenditures	<u>4,404,675</u>	<u>3,898,112</u>	<u>506,563</u>	<u>7,578,739</u>	<u>6,924,929</u>	<u>653,810</u>
Excess of revenues over (under) expenditures	(40,593)	1,199,335	1,239,928	(976,419)	(485,016)	491,403
Other financing sources (uses)						
Budgeted transfers in	74,451	-	(74,451)	2,409,422	2,160,476	(248,946)
Budgeted transfers (out)	(2,132,541)	(2,132,541)	-	(1,216,467)	(193,070)	1,023,397
Debt proceeds	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(2,098,683)	(933,206)	1,165,477	216,536	1,482,390	1,265,854
Fund balances - beginning of year	<u>2,289,600</u>	<u>2,289,600</u>	<u>-</u>	<u>2,919,733</u>	<u>2,919,733</u>	<u>-</u>
Fund balances - end of year	<u>\$ 190,917</u>	<u>\$1,356,394</u>	<u>\$1,165,477</u>	<u>\$3,136,269</u>	<u>\$4,402,123</u>	<u>\$1,265,854</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 2001

	CAPITAL PROJECTS			DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 290,600	\$ 290,686	\$ 86
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	-	66,569	66,569	-	4,794	4,794
Total revenues	-	66,569	66,569	290,600	295,480	4,880
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	621,432	152,800	468,632	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Debt service	-	-	-	885,300	840,028	45,272
Total expenditures	621,432	152,800	468,632	885,300	840,028	45,272
Excess of revenues over (under) expenditures	(621,432)	(86,231)	535,201	(594,700)	(544,548)	50,152
Other financing sources (uses)						
Budgeted transfers in	-	-	-	2,981,321	165,135	(2,816,186)
Budgeted transfers (out)	-	-	-	-	-	-
Debt proceeds	621,432	-	(621,432)	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	(86,231)	(86,231)	2,386,621	(379,413)	(2,766,034)
Fund balances - beginning of year	464,552	464,552	-	535,918	535,918	-
Fund balances - end of year	\$ 464,552	\$ 378,321	\$ (86,231)	\$ 2,922,539	\$ 156,505	\$ (2,766,034)

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES**

Year ended September 30, 2001

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$ 4,818,514	\$ 4,678,008	\$ (140,506)
Taxes	4,253,602	4,302,447	48,845
Fines and costs	368,500	403,928	35,428
Charges for services	474,000	980,041	506,041
Licenses and permits	197,985	197,111	(874)
Miscellaneous revenues	<u>1,144,401</u>	<u>1,337,874</u>	<u>193,473</u>
Total revenues	<u>11,257,002</u>	<u>11,899,409</u>	<u>642,407</u>
Expenditures			
General government	2,090,946	1,649,047	441,899
Public safety	4,070,363	3,847,135	223,228
Transportation	2,780,528	2,512,932	267,596
Physical environment	1,572,389	1,531,030	41,359
Economic environment	1,517,903	819,290	698,613
Human services	223,400	257,988	(34,588)
Culture and recreation	349,317	358,419	(9,102)
Debt service	<u>885,300</u>	<u>840,028</u>	<u>45,272</u>
Total expenditures	<u>13,490,146</u>	<u>11,815,869</u>	<u>1,674,277</u>
Excess of revenues over (under) expenditures	(2,233,144)	83,540	2,316,684
Other financing sources (uses)			
Budgeted transfers in	5,465,194	2,325,611	(3,139,583)
Budgeted transfers (out)	(3,349,008)	(2,325,611)	1,023,397
Debt proceeds	<u>621,432</u>	<u>-</u>	<u>(621,432)</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	504,474	83,540	(420,934)

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES - CONTINUED

Year ended September 30, 2001

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Fund balances - beginning of year	<u>6,209,803</u>	<u>6,209,803</u>	_____ -
Fund balances - end of year	<u>\$6,714,277</u>	<u>\$6,293,343</u>	<u>\$(420,934)</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2001

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 and accordingly, their financial operations are included in the preceding financial statements.

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 2000 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.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

The County, for financial reporting purposes, includes all of the funds and account groups relevant to the operations of the County of Jefferson, Florida. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the County of Jefferson, Florida.

The general purpose financial statements of the County include those of the Board of County Commissioners and the other elected County officials that are controlled by or financially dependent upon the Board of County Commissioners of Jefferson County, Florida. Control or financial dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of the following entities are included in the accompanying financial statements:

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Board of County Commissioners, Clerk of the Circuit Court, Tax Collector, Property Appraiser, Sheriff and Supervisor of Elections.

The Jefferson County Recreation Board and Library Board are not part of the Jefferson County reporting entity because the Board of County Commissioners exercises no oversight responsibility and has no accountability for fiscal matters of the respective entities.

The County uses a modified accrual basis of accounting for all Agency and Governmental type funds. Under this method, expenditures are generally recorded on an accrual basis, i.e., when incurred and revenues are recognized when they become measurable and available as net current assets. All significant assets and liabilities are accrued at year end to reflect these items in the proper budgetary period.

Acquisitions of general fixed assets are recorded in the various funds as expenditures when purchased and subsequently are recorded in the general fixed assets group of accounts at the end of the year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. General fixed assets acquired by gift or contributed are recorded at their estimated fair market value in the general fixed assets group of accounts when acquired. The Board of County Commissioners and the Sheriff account for general fixed assets in separate self-balancing general fixed asset account groups. No depreciation has been provided on general fixed assets. The County does not capitalize interest incurred in connection with fixed asset acquisitions.

The purpose of the various funds and account groups are as follows:

General Funds - to account for all financial resources, not properly accounted for in another fund.

Capital Projects Fund - to account for all internal general government type funds used for capital projects. Upon completion, finished projects are capitalized in the General Fixed Assets Account Group.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Special Revenue Funds - to account for the proceeds of specific revenue sources that are restricted by law or other administrative action to expenditure for specific purposes.

Debt Service Fund - to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

Agency Funds - to account for the assets held by a governmental unit as a trustee and/or agent for individuals, private organizations and other governmental units.

General Fixed Assets - to account for all fixed assets of the County.

General Long-Term Debt - to account for the unmatured principal for all obligations of the County.

Budgets are legally adopted for the General, Capital Projects, Debt Service and Special Revenue funds and are controlled on a fund and departmental level. These budgets are adopted on a basis consistent with generally accepted accounting principles. Formal budgetary integration is employed as a management control device during the year and unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. The County recognizes only significant material encumbrances at year end by reservation of the appropriate fund balance.

NOTE B - CASH AND INVESTMENTS

All bank accounts 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

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE B - CASH AND INVESTMENTS - CONTINUED

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.

The carrying amount of cash deposits was \$3,593,309 and the bank balances were \$4,880,330 at September 30, 2001. 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 Treasurers Office which earn interest at variable rates.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable 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, 2001 and no further allowance is considered necessary. Bad debt expense for the year was \$113,051.

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 on the balance sheet 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.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE E - CHANGES IN LONG-TERM DEBT ACCOUNT GROUP

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 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 County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE E - CHANGES IN LONG-TERM DEBT ACCOUNT GROUP - CONTINUED

The changes in general long-term debt for the year ended September 30, 2001 follows:

	<u>Balance</u> <u>10/1/00</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/01</u>
Installment obligations	\$ 245,671	\$151,811	\$ 77,088	\$ 320,394
Notes payable	260,000	-	260,000	-
Revenue bond	<u>3,440,000</u>	<u>-</u>	<u>110,000</u>	<u>3,330,000</u>
	<u>\$3,945,671</u>	<u>\$151,811</u>	<u>\$447,088</u>	<u>\$3,650,394</u>

The following is a schedule by years of future principal reductions of long-term debt:

Year ending September 30:

2002	\$ 212,546
2003	188,464
2004	178,601
2005	169,150
2006	147,968
Thereafter	<u>2,753,665</u>
	<u>\$3,650,394</u>

NOTE F - CONTINGENCIES

The County has exposure of less than \$15,000, in the opinion of Counsel, 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.

NOTE G - TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns captioned "Memorandum Only" indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE H - 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 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.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE H - RETIREMENT PROGRAM - CONTINUED

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, wherein benefits are defined and described in detail.

As of September 30, 2001 the contribution rates were as follows:

	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	0.00	7.30%
Florida Retirement System, County Elected Officers	0.00	15.14%

The County's 2000-2001 fiscal year payroll for all employees totaled \$3,848,202, including \$3,757,524 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, 2001, 2000 and 1999 totaled \$485,939, \$514,404 and \$606,730, 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 (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 County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE H - RETIREMENT PROGRAM - CONTINUED

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

	<u>(In Billions)</u>
Total Actuarial Accrued Liability	\$ 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 2000-2001 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 2000-2001 fiscal year and as of June 30, 2001, the Florida Retirement System held no securities issued by the County.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE I - 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, 2001.
- 2) Excesses of expenditures over appropriations in individual funds. During the 2000-2001 fiscal year, there were no funds with excesses of expenditures over appropriations.
- 3) Individual fund interfund receivable and payable balances at September 30, 2001 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 113,110
Fine and Forfeiture Fund	1,249,786	-
General Fund	-	1,145,401
County Transportation Trust Fund	-	592,842
Capital Projects Fund	-	654,358
Grants Fund	-	91,481
Fire District Fund	225,553	-
Local Option Sales Tax Fund	323,356	-
Local Government Criminal Justice Fund	29,417	-
Solid Waste Trust Fund	606,106	-
911 Fund	<u>162,974</u>	<u>-</u>
	<u>\$2,597,192</u>	<u>\$2,597,192</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE J - EMPLOYEE VACATION AND SICK LEAVE

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.

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 K - GENERAL FIXED ASSETS ACCOUNT GROUP

The following is a summary of changes in the general fixed assets account group for the year ended September 30, 2001:

	<u>Balance</u> <u>10/1/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/01</u>
Land	\$ 614,551	\$ 69,203	\$ 24,694	\$ 659,060
Buildings	7,394,657	916	-	7,395,573
Equipment	5,260,498	764,192	365,222	5,659,468
Construction in progress	-	-	-	-
	<u>\$13,269,706</u>	<u>\$ 834,311</u>	<u>\$389,916</u>	<u>\$13,714,101</u>

The County removed all infrastructure from its financial records effective October 1, 1994 and does not record a value for roads and bridges.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE L - 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 nor 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, 2001.

Information regarding the bond issue is as follows:

Amount of Issue:	\$3,600,000	
Date of Issue:	September 1, 1992	
Interest Rate:	2.6% - 6.0%	
Maturity Dates:	May 1, 2002	\$ 165,000
	May 1, 2003	175,000
	May 1, 2004	185,000
	May 1, 2005	195,000
	May 1, 2006	205,000
	May 1, 2007 and thereafter	<u>1,490,000</u>
		<u>\$2,415,000</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE M - 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	\$150,512
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications trust fund	<u>339,140</u>
	<u>\$489,652</u>
Capital Projects Fund - Reserve for road construction	<u>\$378,321</u>
Debt Service Fund - Reserve for debt service	<u>\$156,505</u>

The reserve for debt service in the debt service fund does not relate to the debt reflected in the general long-term debt account group because the reserve for debt service is the accumulation of pledged gasoline tax revenues discussed in the note above.

NOTE N - 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.

The County was required by State Law to close its landfill which has no further capacity as of September 30, 1994. The postclosure cost of maintenance, monitoring and testing is expected to be \$117,669 per year for the next 20 years. The above estimate of postclosure costs is based upon information provided by environmental engineers and consultants under contract with the County. The landfill fund is a special revenue fund maintained by the County to accumulate the assets necessary to fund the postclosure liabilities referenced above. The County maintains an escrow account to fund postclosure costs annually.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

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

SUPPLEMENTAL INFORMATION

The County of Jefferson, Florida

COMBINING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 2001

	<u>CLERK OF THE CIRCUIT COURT</u>	<u>SUPERVISOR OF ELECTIONS</u>	<u>PROPERTY APPRAISER</u>	<u>TAX COLLECTOR</u>	<u>SHERIFF</u>	<u>COMBINED TOTALS</u>
ASSETS						
Cash	\$208,139	\$ -	\$ -	\$209,500	\$276,656	\$694,295
Total assets	\$208,139	\$ -	\$ -	\$209,500	\$276,656	\$694,295
LIABILITIES						
Due to other governments	\$130,517	\$ -	\$ -	\$ -	\$ -	\$130,517
Due to other agencies	-	-	-	209,500	-	209,500
Deposits held in escrow	77,622	-	-	-	276,656	354,278
Total liabilities	\$208,139	\$ -	\$ -	\$209,500	\$276,656	\$694,295

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

Year ended September 30, 2001

	<u>BALANCE OCTOBER 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2001</u>
<u>Clerk of the Circuit Court - Suspense Account</u>				
Assets:				
Cash	\$208,830	\$3,088,600	\$3,128,915	\$168,515
Liabilities:				
Due to other governments	\$176,786	\$ 539,549	\$ 585,818	\$130,517
Deposits held in escrow	<u>32,044</u>	<u>2,549,051</u>	<u>2,543,097</u>	<u>37,998</u>
	<u>\$208,830</u>	<u>\$3,088,600</u>	<u>\$3,128,915</u>	<u>\$168,515</u>
<u>Clerk of the Circuit Court - Court Registry</u>				
Assets:				
Cash	\$ 17,453	\$ 212,186	\$ 208,459	\$ 21,180
Liabilities:				
Deposits held in escrow	\$ 17,453	\$ 212,186	\$ 208,459	\$ 21,180
<u>Clerk of the Circuit Court- Tax Redemption Account</u>				
Assets:				
Cash	\$ 17,485	\$ 18,571	\$ 17,612	\$ 18,444
Liabilities:				
Deposits held in escrow	\$ 17,485	\$ 18,571	\$ 17,612	\$ 18,444
<u>Supervisor of Elections - Qualifying Account</u>				
Assets:				
Cash	\$ _____	\$ _____	\$ _____	\$ _____
Liabilities:				
Due to other agencies	\$ _____	\$ _____	\$ _____	\$ _____
<u>Property Appraiser - Commission Account</u>				
Assets:				
Cash	\$ _____	\$ 5,438	\$ 5,438	\$ _____
Liabilities:				
Due to other agencies	\$ _____	\$ 5,438	\$ 5,438	\$ _____

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED

ALL AGENCY FUNDS

Year ended September 30, 2001

	<u>BALANCE OCTOBER 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2001</u>
<u>Tax Collector - Tax Account</u>				
Assets:				
Cash	\$ <u>73,598</u>	\$ <u>7,187,272</u>	\$ <u>7,207,111</u>	\$ <u>53,759</u>
Liabilities:				
Due to other agencies	\$ 73,598	\$ 455,172	\$ 475,011	\$ 53,759
Deposits held in escrow	<u>-</u>	<u>6,732,100</u>	<u>6,732,100</u>	<u>-</u>
	<u>\$ 73,598</u>	<u>\$ 7,187,272</u>	<u>\$ 7,207,111</u>	<u>\$ 53,759</u>
<u>Tax Collector - Tag Account</u>				
Assets:				
Cash	\$ 17,515	\$ 8,269,967	\$ 8,130,741	\$ 155,741
Accounts receivable	<u>2,008</u>	<u>-</u>	<u>2,008</u>	<u>-</u>
	<u>\$ 19,523</u>	<u>\$ 8,268,967</u>	<u>\$ 8,132,749</u>	<u>\$ 155,741</u>
Liabilities:				
Due to other agencies	\$ 19,373	\$ 8,268,967	\$ 8,132,599	\$ 155,741
Deposits held in escrow	<u>150</u>	<u>-</u>	<u>150</u>	<u>-</u>
	<u>\$ 19,523</u>	<u>\$ 8,268,967</u>	<u>\$ 8,132,749</u>	<u>\$ 155,741</u>
<u>Sheriff - Individual Depositors Account</u>				
Assets:				
Cash	\$ <u>260</u>	\$ <u>10,245</u>	\$ <u>10,485</u>	\$ <u>20</u>
Liabilities:				
Deposits held in escrow	\$ <u>260</u>	\$ <u>10,245</u>	\$ <u>10,485</u>	\$ <u>20</u>
<u>Sheriff - Appearance Bond Account</u>				
Assets:				
Cash	\$ <u>160,006</u>	\$ <u>40,202</u>	\$ <u>25,702</u>	\$ <u>174,506</u>
Liabilities:				
Deposits held in escrow	\$ <u>160,006</u>	\$ <u>40,202</u>	\$ <u>25,702</u>	\$ <u>174,506</u>

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED

ALL AGENCY FUNDS

Year ended September 30, 2001

	<u>BALANCE OCTOBER 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 2001</u>
<u>Sheriff - Prisoners Welfare</u>				
Assets:				
Cash	\$ <u>74,532</u>	\$ <u>28,238</u>	\$ <u>640</u>	\$ <u>102,130</u>
Liabilities:				
Deposits held in escrow	\$ <u>74,532</u>	\$ <u>25,449</u>	\$ <u>640</u>	\$ <u>102,130</u>
 <u>Totals - All Agency Funds</u>				
Assets:				
Cash	\$569,679	\$18,859,719	\$18,735,103	\$694,295
Accounts receivable	<u>2,008</u>	<u>-</u>	<u>2,008</u>	<u>-</u>
	<u>\$571,687</u>	<u>\$18,859,719</u>	<u>\$18,737,111</u>	<u>\$694,295</u>
Liabilities:				
Due to other governments	\$176,786	\$ 539,549	\$ 585,818	\$130,517
Due to other agencies	92,971	8,729,577	8,613,048	209,500
Deposits held in escrow	<u>301,930</u>	<u>9,590,593</u>	<u>9,538,245</u>	<u>354,278</u>
	<u>\$571,687</u>	<u>\$18,859,719</u>	<u>\$18,737,111</u>	<u>\$694,295</u>

FINANCIAL STATEMENTS AND AUDITORS' REPORT

BOARD OF COUNTY COMMISSIONERS

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

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

February 4, 2002

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined financial statements of the Board of County Commissioners of the County of Jefferson, Florida, as of and for the year ended September 30, 2001, 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 and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards (1994 Revision)*, and any amendments thereto, 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Board of County Commissioners of the County of Jefferson, Florida, as of September 30, 2001, and the results of its operations 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 February 4, 2002, 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 considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the combined financial statements of the Board of County Commissioners of the County of Jefferson, Florida taken as a whole. 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*, and the combining and individual fund financial statements listed in the table of contents, as supplemental information, are not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects, in relation to the combined financial statements taken as a whole.

Betts, Rogan, Schuck & Jones

The County of Jefferson, Florida
Board of County Commissioners

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2001

ASSETS	GOVERNMENTAL FUND TYPES				ACCOUNT GROUPS		TOTALS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(Note G) (MEMORANDUM ONLY)
Cash	\$ 79,738	\$1,718,633	\$1,027,409	\$ -	\$ -	\$ -	\$ 2,825,780
Investments (Note B)	1,616,904	309,649	-	269,615	-	-	2,196,168
Accounts receivable (Note C)	418,141	-	-	-	-	-	418,141
Accrued interest receivable	4,876	48	5,270	-	-	-	10,194
Due from other governments	456,510	298,243	-	-	-	-	754,753
Due from other agencies	-	226,232	-	-	-	-	226,232
Due from other funds (Note I)	-	2,597,192	-	-	-	-	2,597,192
Inventory of supplies (Note D)	-	150,512	-	-	-	-	150,512
Fixed assets (Note K)	-	-	-	-	12,510,789	-	12,510,789
Amount to be provided	-	-	-	-	-	3,650,394	3,650,394
Total assets	\$2,576,169	\$5,300,509	\$1,032,679	\$269,615	\$12,510,789	\$3,650,394	\$25,340,155
LIABILITIES AND FUND EQUITY							
Liabilities							
Revenue Bonds payable (Note E)	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,330,000	\$ 3,330,000
Installment purchase obligations (Note E)	-	-	-	-	-	320,394	320,394
Accounts payable	69,534	209,019	-	-	-	-	278,553
Due to other funds (Note I)	1,145,401	684,323	654,358	113,110	-	-	2,597,192
Due to other governments	-	5,044	-	-	-	-	5,044
Deposits held in escrow	4,840	-	-	-	-	-	4,840
Contingencies (Note F)	-	-	-	-	-	-	-
Total liabilities	1,219,775	898,386	654,358	113,110	-	3,650,394	6,536,023
Fund equity							
Investment in general fixed assets	-	-	-	-	10,822,458	-	10,822,458
General fixed assets acquired by gift	-	-	-	-	1,688,331	-	1,688,331
Fund balances	-	-	-	-	-	-	-
Reserved (Note M)	-	489,652	378,321	156,505	-	-	1,024,478
Unreserved - Undesignated	1,356,394	3,912,471	-	-	-	-	5,268,865
Total fund equity	1,356,394	4,402,123	378,321	156,505	12,510,789	-	18,804,132
Total liabilities and fund equity	\$2,576,169	\$5,300,509	\$1,032,679	\$269,615	\$12,510,789	\$3,650,394	\$25,340,155

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
Board of County Commissioners

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 2001

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>TOTAL MEMORANDUM ONLY (NOTE G)</u>
Revenues					
Intergovernmental revenues	\$1,524,011	\$ 2,863,311	\$ -	\$ 290,686	\$ 4,678,008
Taxes	2,388,174	1,914,273	-	-	4,302,447
Fines and costs	-	403,928	-	-	403,928
Charges for services	913,161	66,880	-	-	980,041
Licenses and permits	197,111	-	-	-	197,011
Miscellaneous revenues	74,990	1,191,521	66,569	4,794	1,337,874
Total revenues	<u>5,097,447</u>	<u>6,439,913</u>	<u>66,569</u>	<u>295,480</u>	<u>11,899,409</u>
Expenditures					
General government	1,649,047	-	-	-	1,649,047
Public safety	1,132,084	2,700,483	-	-	3,832,567
Transportation	-	2,435,358	152,800	-	2,588,158
Physical environment	483,303	1,047,727	-	-	1,531,030
Economic environment	2,703	816,587	-	-	819,290
Human services	257,988	-	-	-	257,988
Culture and recreation	358,419	-	-	-	358,419
Debt service	14,568	76,585	-	840,028	931,181
Total expenditures	<u>3,898,112</u>	<u>7,076,740</u>	<u>152,800</u>	<u>840,028</u>	<u>11,967,680</u>
Excess of revenues over (under) expenditures	1,199,335	(636,827)	(86,231)	(544,548)	(68,271)
Other financing sources (uses)					
Operating transfers in	-	2,160,476	-	165,135	2,325,611
Operating transfers (out)	(2,132,541)	(193,070)	-	-	(2,325,611)
Debt proceeds	-	151,811	-	-	151,811
Excess of revenues and other financing sources over (under) expenditures and other uses	(933,206)	1,482,390	(86,231)	(379,413)	83,540
Fund balances - beginning of year	<u>2,289,600</u>	<u>2,919,733</u>	<u>464,552</u>	<u>535,918</u>	<u>6,209,803</u>
Fund balances - end of year	<u>\$1,356,394</u>	<u>\$4,402,123</u>	<u>\$ 378,321</u>	<u>\$ 156,505</u>	<u>\$ 6,292,343</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
The Board of County Commissioners

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 2001

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$1,385,104	\$1,524,011	\$ 138,907	\$3,142,810	\$2,863,311	\$ (279,499)
Taxes	2,346,993	2,388,174	41,181	1,906,609	1,914,273	7,664
Fines and costs	-	-	-	368,500	403,928	35,428
Charges for services	434,000	913,161	479,161	40,000	66,880	26,880
Licenses and permits	197,985	197,111	(874)	-	-	-
Miscellaneous revenues	-	74,990	74,990	1,144,401	1,191,521	47,120
Total revenues	<u>4,364,082</u>	<u>5,097,447</u>	<u>733,365</u>	<u>6,602,320</u>	<u>6,439,913</u>	<u>(162,407)</u>
Expenditures						
General government	2,090,946	1,649,047	441,899	-	-	-
Public safety	1,228,669	1,146,652	82,017	2,841,694	2,700,483	141,211
Transportation	-	-	-	2,159,096	2,360,132	(201,036)
Physical environment	509,743	483,303	26,440	1,062,646	1,047,727	14,919
Economic environment	2,600	2,703	(103)	1,515,303	816,587	698,716
Human services	223,400	257,988	(34,588)	-	-	-
Culture and recreation	349,317	358,419	(9,102)	-	-	-
Total expenditures	<u>4,404,675</u>	<u>3,898,112</u>	<u>506,563</u>	<u>7,578,739</u>	<u>6,924,929</u>	<u>653,810</u>
Excess of revenues over (under) expenditures	(40,593)	1,199,335	1,239,928	(976,419)	(485,016)	491,403
Other financing sources (uses)						
Budgeted transfers in	74,451	-	(74,451)	2,409,422	2,160,476	(248,946)
Budgeted transfers (out)	(2,132,541)	(2,132,541)	-	(1,216,467)	(193,070)	1,023,397
Debt proceeds	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(2,098,683)	(933,206)	1,165,477	216,536	1,482,390	1,265,854
Fund balances - beginning of year	<u>2,289,600</u>	<u>2,289,600</u>	-	<u>2,919,733</u>	<u>2,919,733</u>	-
Fund balances - end of year	<u>\$ 190,917</u>	<u>\$1,356,394</u>	<u>\$1,165,477</u>	<u>\$3,136,269</u>	<u>\$4,402,123</u>	<u>\$1,265,854</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
Board of County Commissioners

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 2001

	CAPITAL PROJECTS			DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 290,600	\$ 290,686	\$ 86
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	-	66,569	66,569	-	4,794	4,794
Total revenues	-	66,569	66,569	290,600	295,480	4,880
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	621,432	152,800	468,632	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Debt service	-	-	-	885,300	840,028	45,272
Total expenditures	621,432	152,800	468,632	885,300	840,028	45,272
Excess of revenues over (under) expenditures	(621,432)	(86,231)	535,201	(594,700)	(544,548)	50,152
Other financing sources (uses)						
Budgeted transfers in	-	-	-	2,981,321	165,135	(2,816,186)
Budgeted transfers (out)	-	-	-	-	-	-
Debt proceeds	621,432	-	(621,432)	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	(86,231)	(86,231)	2,386,621	(379,413)	(2,766,034)
Fund balances - beginning of year	464,552	464,552	-	535,918	535,918	-
Fund balances - end of year	\$ 464,552	\$ 378,321	\$ (86,231)	\$ 2,922,539	\$ 156,505	\$ (2,766,034)

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida
Board of County Commissioners**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES**

Year ended September 30, 2001

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$ 4,818,514	\$ 4,678,008	\$(140,506)
Taxes	4,253,602	4,302,447	48,845
Fines and costs	368,500	403,928	35,428
Charges for services	474,000	980,041	506,041
Licenses and permits	197,985	197,111	(874)
Miscellaneous revenues	<u>1,144,401</u>	<u>1,337,874</u>	<u>193,473</u>
Total revenues	<u>11,257,002</u>	<u>11,899,409</u>	<u>642,407</u>
Expenditures			
General government	2,090,946	1,649,047	441,899
Public safety	4,070,363	3,847,135	223,228
Transportation	2,780,528	2,512,932	267,596
Physical environment	1,572,389	1,531,030	41,359
Economic environment	1,517,903	819,290	698,613
Human services	223,400	257,988	(34,588)
Culture and recreation	349,317	358,419	(9,102)
Debt service	<u>885,300</u>	<u>840,028</u>	<u>45,272</u>
Total expenditures	<u>13,490,146</u>	<u>11,815,869</u>	<u>1,674,277</u>
Excess of revenues over (under) expenditures	(2,233,144)	83,540	2,316,684
Other financing sources (uses)			
Budgeted transfers in	5,465,194	2,325,611	(3,139,583)
Budgeted transfers (out)	(3,349,008)	(2,325,611)	1,023,397
Debt proceeds	<u>621,432</u>	<u>-</u>	<u>(621,432)</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	504,474	83,540	(420,934)

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida
The Board of County Commissioners**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES - CONTINUED**

Year ended September 30, 2001

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>
Fund balances - beginning of year	<u>6,209,803</u>	<u>6,209,803</u>	_____ -
Fund balances - end of year	<u>\$6,714,277</u>	<u>\$6,293,343</u>	<u>\$(420,934)</u>

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2001

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 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.

The Clerk of the Circuit Court, Supervisor of Elections, Tax Collector, Property Appraiser, and Sheriff constitute the other elected officials of the County and accordingly, their financial operations are included in the general purpose financial statements of the County as a whole and not the combined financial statements of the Board of County Commissioners.

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 2000 millage rate assessed by the County was 10 mills.

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

The County uses a modified accrual basis of accounting for all Agency and Governmental type funds. Under this method, expenditures are generally recorded on an accrual basis, i.e., when incurred, and revenues are recognized when they become measurable and available as net current assets. All significant assets and liabilities are accrued at year end to reflect these items in the proper budgetary period.

Acquisitions of general fixed assets are recorded in the various funds as expenditures when purchased and subsequently are recorded in the general fixed assets group of accounts at the

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

end of the year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. General fixed assets acquired by gift or contributed are recorded at their estimated fair market value in the general fixed assets group of accounts when acquired. The Board of County Commissioners' accounts for general fixed assets in a separate self-balancing general fixed asset account group. No depreciation has been provided on general fixed assets.

The purposes of the various funds and account groups are as follows:

Governmental Fund Types

General Funds - to account for all financial resources not properly accounted for in another fund.

Capital Projects Fund - to account for all internal general government type funds used for capital projects. Upon completion, finished projects are capitalized in the General Fixed Assets Account Group.

Special Revenue Funds - to account for the proceeds of specific revenue sources that are restricted by law or other administrative action to expenditure for specific purposes.

Debt Service Fund - to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

Fiduciary Fund Types

Agency Funds - to account for the assets held by a governmental unit as a trustee and/or agent for individuals, private organizations and other governmental units.

Account Groups

General Fixed Assets - to account for all fixed assets of the County.

General Long-Term Debt - to account for the unmatured principal for all obligations of the County.

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

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.

The Board's carrying amount of cash deposits was \$2,825,780 and the bank balances were \$3,167,006 at September 30, 2001. 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.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable 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, 2001, and no further allowance is considered necessary. Bad debt expense for the year was \$113,051.

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

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 on the balance sheet 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 - CHANGES IN LONG-TERM DEBT ACCOUNT GROUP

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 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 County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE E - CHANGES IN LONG-TERM DEBT ACCOUNT GROUP - CONTINUED

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, 2001 follows:

	<u>Balance</u> <u>10/1/2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/2001</u>
Installment obligations	\$ 245,671	\$ 151,811	\$ 77,088	\$ 320,394
Notes payable	260,000	-	260,000	-
Revenue bond	<u>3,440,000</u>	<u>-</u>	<u>110,000</u>	<u>3,330,000</u>
	<u>\$3,945,671</u>	<u>\$ 151,811</u>	<u>\$ 447,088</u>	<u>\$3,650,394</u>

The following is a schedule by years of future principal reductions of long-term debt:

Year ending September 30:

2002	\$ 212,546
2003	188,464
2004	178,601
2005	169,150
2006	147,968
Thereafter	<u>2,753,665</u>
	<u>\$3,650,394</u>

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE F - CONTINGENCIES

The County has exposure of less than \$15,000, in the opinion of Counsel, 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.

NOTE G - TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns captioned "Memorandum Only" indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE H - 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
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE H - RETIREMENT PROGRAM - CONTINUED

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, wherein benefits are defined and described in detail.

As of September 30, 2001 the contribution rates were as follows:

	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	0.00	7.30%
Florida Retirement System, County Elected Officers	0.00	15.14%

The County's 2000-2001 fiscal year payroll for all employees totaled \$2,290,358, including \$2,249,903 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, 2001, 2000 and 1999 totaled \$253,729, \$248,324 and \$315,229, respectively.

The County of Jefferson, Florida
Board of County Commissioners

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE H - RETIREMENT PROGRAM - CONTINUED

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 (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:

	<u>(In Billions)</u>
Total actuarial accrued liability	\$ 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 2000-2001 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 2000-2001 fiscal year and as of June 30, 2001, the Florida Retirement System held no securities issued by the County.

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE I - 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, 2001.
- 2) Excesses of expenditures over appropriations in individual funds. During the 2000-2001 fiscal year, there were no funds with excesses of expenditures over appropriations.
- 3) Individual fund interfund receivable and payable balances at September 30, 2001 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 113,110
Fine and Forfeiture Fund	1,249,786	-
General Fund	-	1,145,401
County Transportation Trust Fund	-	592,842
Capital Projects Fund	-	654,358
Grants Fund	-	91,481
Fire District Fund	225,553	-
Local Option Sales Tax Fund	323,356	-
Local Government Criminal Justice Fund	29,417	-
Solid Waste Trust Fund	606,106	-
911 Fund	<u>162,974</u>	<u>-</u>
	<u>\$2,597,192</u>	<u>\$2,597,192</u>

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE J - EMPLOYEE VACATION AND SICK LEAVE

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.

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 K - GENERAL FIXED ASSETS ACCOUNT GROUP

The following is a summary of changes in the general fixed assets account group for the year ended September 30, 2001:

	Balance <u>10/1/00</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/01</u>
Land	\$ 614,551	\$ 69,203	\$ 24,694	\$ 659,060
Buildings	7,394,657	916	-	7,395,573
Equipment	4,032,060	576,680	152,584	4,456,156
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$12,041,268</u>	<u>\$646,799</u>	<u>\$177,278</u>	<u>\$12,510,789</u>

The County removed all infrastructure from its financial records effective October 1, 1994 and does not record a value for roads and bridges.

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE L - 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 nor 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, 2001.

Information regarding the bond issue is as follows:

Amount of Issue:	\$3,600,000	
Date of Issue:	September 1, 1992	
Maturity Dates:		
	May 1, 2002	\$ 165,000
	May 1, 2003	175,000 ✓
	May 1, 2004	185,000
	May 1, 2005	195,000
	May 1, 2006	205,000
	May 1, 2007 and thereafter	<u>1,490,000</u>
		<u>\$2,415,000</u>

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

NOTE M - 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	\$150,512
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications trust fund	<u>339,140</u> <u>\$489,652</u>
Capital Projects Fund - Reserve for road construction	<u>\$378,321</u>
Debt Service Fund - Reserve for debt service	<u>\$156,505</u>

The reserve for debt service in the debt service fund does not relate to the debt reflected in the general long-term debt account group because the reserve for debt service is the accumulation of pledged gasoline tax revenues discussed in the note above.

NOTE N - 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.

The County was required by State Law to close its landfill which has no further capacity as of September 30, 1994. The postclosure cost of maintenance, monitoring and testing is expected to be \$117,669 per year for the next 20 years. The above estimate of postclosure costs is based upon information provided by environmental engineers and consultants under contract with the County. The landfill fund is a special revenue fund maintained by the County to accumulate the assets necessary to fund the postclosure liabilities referenced above. The County maintains an escrow account to fund postclosure costs annually.

**The County of Jefferson, Florida
Board of County Commissioners**

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 2001

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

SUPPLEMENTAL INFORMATION

The County of Jefferson, Florida
Board of County Commissioners

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

September 30, 2001

	<u>FINE & FORFEITURE FUND</u>	<u>GRANTS FUND</u>	<u>COUNTY TRANSPORTATION TRUST FUND</u>	<u>FIRE DISTRICT FUND</u>	<u>LOCAL OPTION SALES TAX FUND</u>
ASSETS					
Cash	\$ 286,720	\$943,931	\$ 487,982	\$ -	\$ -
Investments	14,427	-	295,222	-	-
Accrued interest receivable	-	-	48	-	-
Due from other governments	-	9,637	198,673	2,530	31,274
Due from other agencies	221,731	-	-	-	-
Due from other funds	1,249,786	-	-	225,552	323,357
Inventory of supplies, at cost	-	-	<u>150,512</u>	-	-
Total assets	<u>\$1,772,664</u>	<u>\$953,568</u>	<u>\$1,132,437</u>	<u>\$228,082</u>	<u>\$354,631</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 4,777	\$ 16,095	\$ 131,117	\$ 7,922	\$ -
Due to other funds	-	91,481	592,842	-	-
Revenues collected in advance	-	-	-	-	-
Due to other governments	-	5,044	-	-	-
Contingencies	-	-	-	-	-
Total liabilities	<u>4,777</u>	<u>112,620</u>	<u>723,959</u>	<u>7,922</u>	<u>-</u>
Fund balances					
Reserved	339,140	-	150,512	-	-
Unreserved					
Undesignated	<u>1,428,747</u>	<u>840,948</u>	<u>257,966</u>	<u>220,160</u>	<u>354,631</u>
Total fund balances	<u>1,767,887</u>	<u>840,948</u>	<u>408,478</u>	<u>220,160</u>	<u>354,631</u>
Total liabilities and fund balances	<u>\$1,772,664</u>	<u>\$953,568</u>	<u>\$1,132,437</u>	<u>\$228,082</u>	<u>\$354,631</u>

The County of Jefferson, Florida
Board of County Commissioners

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS - CONTINUED

September 30, 2001

ASSETS	<u>LOCAL GOVERNMENT CRIMINAL JUSTICE FUND</u>	<u>SOLID WASTE TRUST FUND</u>	<u>911 FUND</u>	<u>COMBINED TOTALS</u>
Cash	\$ -	\$ -	\$ -	\$1,718,633
Investments	-	-	-	309,649
Accrued interest receivable	-	-	-	48
Due from other governments	3,608	52,521	-	298,243
Due from other agencies	-	-	4,501	226,232
Due from other funds	29,417	606,106	162,974	2,597,192
Inventory of supplies, at cost	-	-	-	<u>150,512</u>
Total assets	<u>\$33,025</u>	<u>\$658,627</u>	<u>\$167,475</u>	<u>\$5,300,509</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ -	\$ 48,464	\$ 644	\$ 209,019
Due to other funds	-	-	-	684,323
Revenues collected in advance	-	-	-	-
Due to other governments	-	-	-	5,044
Contingencies	-	-	-	-
Total liabilities	<u>-</u>	<u>48,464</u>	<u>644</u>	<u>898,386</u>
Fund balances				
Reserved	-	-	-	489,652
Unreserved	-	-	-	-
Undesignated	<u>33,025</u>	<u>610,163</u>	<u>166,831</u>	<u>3,912,471</u>
Total fund balances	<u>33,025</u>	<u>610,163</u>	<u>166,831</u>	<u>4,402,123</u>
Total liabilities and fund balance	<u>\$33,025</u>	<u>\$658,627</u>	<u>\$167,475</u>	<u>\$5,300,509</u>

The County of Jefferson, Florida
Board of County Commissioners

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS

ALL SPECIAL REVENUE FUNDS

Year ended September 30, 2001

	FINE & FORFEITURE FUND			GRANTS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 204,451	\$ 239,732	\$ 35,281	\$1,515,303	\$1,058,410	\$(456,893)
Taxes	586,598	589,194	2,596	-	-	-
Fines and costs	350,500	373,615	23,115	-	-	-
Charges for services	15,000	15,200	200	-	-	-
Miscellaneous revenues	-	11,109	11,109	-	6,646	6,646
Total revenues	<u>1,156,549</u>	<u>1,228,850</u>	<u>72,301</u>	<u>1,515,303</u>	<u>1,065,056</u>	<u>(450,274)</u>
Expenditures						
Physical environment	-	-	-	-	-	-
Public safety	2,391,827	2,355,959	35,868	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	1,515,303	816,587	698,716
Total expenditures	<u>2,391,827</u>	<u>2,355,959</u>	<u>35,868</u>	<u>1,515,303</u>	<u>816,587</u>	<u>698,716</u>
Excess of revenues over (under) expenditures	(1,235,278)	(1,127,109)	108,169	-	248,469	248,469
Other financing source (uses)						
Budgeted transfers in	2,305,895	2,056,949	(248,946)	-	-	-
Budgeted transfers (out)	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	1,070,617	929,840	(140,777)	-	248,469	248,469
Fund balances - beginning of year	<u>838,047</u>	<u>838,047</u>	-	<u>592,479</u>	<u>592,479</u>	-
Fund balances - end of year	<u>\$1,908,664</u>	<u>\$1,767,887</u>	<u>\$(140,777)</u>	<u>\$ 592,479</u>	<u>\$ 840,948</u>	<u>\$248,469</u>

The County of Jefferson, Florida
Board of County Commissioners

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS

ALL SPECIAL REVENUE FUNDS

Year ended September 30, 2001

	<u>COUNTY TRANSPORTATION TRUST FUND</u>			<u>FIRE DISTRICT FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues						
Intergovernmental revenues	\$1,257,634	\$1,409,538	\$151,904	\$ -	\$ -	\$ -
Taxes	864,500	842,031	(22,469)	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	<u>33,182</u>	<u>46,698</u>	<u>13,516</u>	<u>335,094</u>	<u>337,258</u>	<u>2,164</u>
Total revenues	<u>2,155,316</u>	<u>2,298,267</u>	<u>142,951</u>	<u>335,094</u>	<u>337,258</u>	<u>2,164</u>
Expenditures						
Public safety	-	-	-	320,156	319,732	424
Transportation	2,159,096	2,360,132	(201,036)	-	-	-
Economic environment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,159,096</u>	<u>2,360,132</u>	<u>(201,036)</u>	<u>320,156</u>	<u>319,732</u>	<u>424</u>
Excess of revenues over (under) expenditures	(3,780)	(61,865)	(58,085)	14,938	17,526	2,588
Other financing source (uses)						
Budgeted transfers in	-	-	-	-	-	-
Budgeted transfers (out)	<u>(248,946)</u>	<u>-</u>	<u>248,946</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	(252,726)	(61,865)	190,861	14,938	17,526	2,588
Fund balances - beginning of year	<u>470,343</u>	<u>470,343</u>	<u>-</u>	<u>202,634</u>	<u>202,634</u>	<u>-</u>
Fund balances - end of year	<u>\$ 217,617</u>	<u>\$ 408,478</u>	<u>\$190,861</u>	<u>\$217,572</u>	<u>\$220,160</u>	<u>\$ 2,588</u>

The County of Jefferson, Florida
Board of County Commissioners

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS

ALL SPECIAL REVENUE FUNDS

Year ended September 30, 2001

	SOLID WASTE TRUST FUND			911 FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues						
Intergovernmental revenues	\$ 165,422	\$ 155,631	\$(9,791)	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	25,000	51,680	26,680
Miscellaneous revenues	<u>776,125</u>	<u>773,538</u>	<u>(2,587)</u>	<u>-</u>	<u>7,320</u>	<u>7,320</u>
Total revenues	<u>941,547</u>	<u>929,169</u>	<u>(12,378)</u>	<u>25,000</u>	<u>59,000</u>	<u>34,000</u>
Expenditures						
Physical environment	1,062,646	1,047,727	14,919	-	-	-
Public safety	-	-	-	129,711	24,792	104,919
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Total expenditures	<u>1,062,646</u>	<u>1,047,727</u>	<u>14,919</u>	<u>129,711</u>	<u>24,792</u>	<u>104,919</u>
Excess of revenues over (under) expenditures	(121,099)	(118,558)	2,541	(104,711)	34,208	138,919
Other financing source (uses)						
Budgeted transfers in	103,527	103,527	-	-	-	-
Budgeted transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(17,572)	(15,031)	2,541	(104,711)	34,208	138,919
Fund balances – beginning of year	<u>625,194</u>	<u>625,194</u>	<u>-</u>	<u>132,623</u>	<u>132,623</u>	<u>-</u>
Fund balances - end of year	\$ <u>607,622</u>	\$ <u>610,163</u>	\$ <u>2,541</u>	\$ <u>27,912</u>	\$ <u>166,831</u>	\$ <u>138,919</u>

The County of Jefferson, Florida
Board of County Commissioners

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS

ALL SPECIAL REVENUE FUNDS

Year ended September 30, 2001

	LOCAL OPTIONS SALES TAX FUND			LOCAL GOVERNMENT CRIMINAL JUSTICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	455,511	483,048	27,537	-	-	-
Fines and costs	-	-	-	18,000	30,313	12,313
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	-	8,218	8,218	-	734	734
Total revenues	<u>455,511</u>	<u>491,266</u>	<u>35,755</u>	<u>18,000</u>	<u>31,047</u>	<u>13,047</u>
Expenditures						
Physical environment	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	455,511	491,266	35,755	18,000	31,047	13,047
Other financing source (uses)						
Budgeted transfers in	-	103,527	-	-	-	-
Budgeted transfers (out)	<u>(893,070)</u>	<u>(193,070)</u>	<u>700,000</u>	<u>(74,451)</u>	<u>-</u>	<u>74,451</u>
Excess of revenues and other sources over (under) expenditures and other uses	(437,559)	298,196	2,541	(104,711)	34,208	138,919
Correction of prior year error	<u>56,435</u>	<u>56,435</u>	<u>-</u>	<u>1,978</u>	<u>132,623</u>	<u>-</u>
Fund balances - end of year	<u>\$(381,124)</u>	<u>\$ 354,631</u>	<u>\$735,755</u>	<u>\$(54,473)</u>	<u>\$ 33,025</u>	<u>\$ 87,498</u>

**The County of Jefferson, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 2001

	COMBINED TOTALS		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>
Revenues			
Intergovernmental revenues	\$ 3,142,810	\$ 2,863,311	\$(279,499)
Taxes	1,906,609	1,914,273	7,664
Fines and costs	368,500	403,928	35,428
Charges for services	40,000	66,880	26,880
Miscellaneous revenues	<u>1,144,401</u>	<u>1,191,521</u>	<u>47,120</u>
Total revenues	<u>6,602,320</u>	<u>6,439,913</u>	<u>(162,407)</u>
Expenditures			
Physical environment	1,062,646	1,047,727	14,919
Public safety	2,841,694	2,700,483	141,211
Transportation	2,159,096	2,360,132	(201,036)
Economic environment	<u>1,515,303</u>	<u>816,587</u>	<u>698,716</u>
Total expenditures	<u>7,578,739</u>	<u>6,924,929</u>	<u>653,810</u>
Excess of revenues over (under) expenditures	(976,419)	(485,016)	491,403
Other financing sources (uses)			
Budgeted transfers in	2,409,422	2,160,476	(248,946)
Budgeted transfers (out)	<u>(1,216,467)</u>	<u>(193,070)</u>	<u>1,023,397</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	216,536	1,482,390	1,265,854
Fund balances - beginning of year	<u>2,919,733</u>	<u>2,919,733</u>	-
Fund balances - end of year	<u>\$3,136,269</u>	<u>\$4,402,123</u>	<u>\$1,265,854</u>

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>TAXES</u>			
Ad Valorem Taxes	\$2,346,393	\$2,387,545	\$ 41,152
Franchise Fees	<u>600</u>	<u>629</u>	<u>29</u>
TOTAL TAXES	<u>2,346,993</u>	<u>2,388,174</u>	<u>41,181</u>
<u>LICENSES AND PERMITS</u>			
Occupational Licenses	750	3,875	3,125
Contractors Licenses	6,735	5,260	(1,475)
Building Permits	95,000	92,423	(2,577)
Development Code Permits	<u>95,500</u>	<u>95,553</u>	<u>53</u>
TOTAL LICENSES AND PERMITS	<u>197,985</u>	<u>197,111</u>	<u>(874)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Shared Revenues:			
Federal Wildlife	<u>20,000</u>	<u>23,428</u>	<u>3,428</u>
State Grants:			
Public Safety	129,054	204,166	75,112
Culture/Recreation	150,660	179,220	28,560
General Government	<u>-</u>	<u>48,750</u>	<u>48,750</u>
Total State Grants	<u>279,714</u>	<u>432,136</u>	<u>152,422</u>
State Shared Revenues:			
State Revenue Sharing	351,110	364,825	13,715
Insurance Agents' County Licenses	4,000	18,277	14,277
Mobile Home Licenses	6,000	7,974	1,974
Alcoholic Beverages Licenses	1,250	1,556	306
Racing Tax	111,625	111,625	-
Local Government Half-Cent Sales Tax	381,008	343,995	(37,013)
Emergency State Sales Tax Distribution	230,397	213,374	(17,023)
Payment in Lieu of Tax	<u>-</u>	<u>6,821</u>	<u>6,821</u>
Total State Shared Revenues	<u>1,085,390</u>	<u>1,068,447</u>	<u>(16,943)</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL - CONTINUED

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TOTAL INTERGOVERNMENTAL REVENUE	1,385,104	1,524,011	138,907
<u>CHARGES FOR SERVICES</u>			
General Government:			
Public Defender Liens	1,000	1,009	9
Law Library	1,500	2,508	1,008
Clerk of Court Fees	-	35,033	35,033
Tax Collector	100,000	376,105	276,105
Supervisor of Elections	-	1,181	1,181
Property Appraiser	<u>1,500</u>	<u>6,029</u>	<u>4,529</u>
Total General Government	<u>104,000</u>	<u>421,865</u>	<u>317,865</u>
Public Safety:			
Ambulance Fees	<u>300,000</u>	<u>457,574</u>	<u>157,574</u>
Physical/Environment:			
Garbage/Solid Waste Revenue	<u>30,000</u>	<u>33,722</u>	<u>3,722</u>
TOTAL CHARGES FOR SERVICES	<u>434,000</u>	<u>913,191</u>	<u>479,161</u>
<u>MISCELLANEOUS REVENUE</u>			
Sale of surplus property	-	500	500
Recovery Fees	-	1,160	1,160
Prior Year Refunds	-	3,483	3,483
Miscellaneous Revenues	<u>-</u>	<u>69,847</u>	<u>69,847</u>
TOTAL MISCELLANEOUS REVENUE	<u>-</u>	<u>74,990</u>	<u>74,990</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL - CONTINUED

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>NON-REVENUES</u>			
Interfund Transfers:			
Local Government Criminal Justice Trust Fund	<u>74,451</u>	<u>-</u>	<u>(74,451)</u>
TOTAL REVENUES	<u>\$4,438,533</u>	<u>\$5,097,447</u>	<u>\$ 658,914</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL GOVERNMENT SERVICES</u>			
Legislative:			
Board of County Commissioners:			
Personal Services	\$140,301	\$136,743	\$ 3,558
Operating Expenses	290,350	38,961	251,389
Capital Outlay	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Legislative	<u>432,651</u>	<u>175,704</u>	<u>256,947</u>
Financial and Administrative:			
Property Appraiser:			
Personal Services	232,928	223,077	9,851
Operating Expenses	91,864	81,755	10,109
Capital Outlay	<u>19,647</u>	<u>13,202</u>	<u>6,445</u>
Total Property Appraiser	<u>344,439</u>	<u>318,034</u>	<u>26,405</u>
Tax Collector:			
Personal Services	253,574	253,574	-
Operating Expenses	76,228	45,749	30,479
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Tax Collector	<u>329,802</u>	<u>299,323</u>	<u>30,479</u>
Grants Development:			
Personal Services	8,184	5,844	2,340
Operating Expenses	18,800	17,686	1,114
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants Development	<u>26,984</u>	<u>23,530</u>	<u>3,454</u>
Finance			
Operating Expenses	<u>40,000</u>	<u>35,675</u>	<u>4,325</u>
Total Financial and Administrative	<u>741,225</u>	<u>676,562</u>	<u>64,663</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Legal Counsel:			
County Attorney:			
Operating Expenses	81,257	41,352	39,905
Total Legal Counsel	<u>81,257</u>	<u>41,352</u>	<u>39,905</u>
Comprehensive Planning:			
County Development			
Industrial Development	40,000	40,000	-
County Planning:			
Personal Services	70,455	71,470	(1,015)
Operating Expenses	23,100	26,361	(3,261)
Capital Outlay	1,900	4,463	(2,563)
Total County Planning	<u>95,455</u>	<u>102,294</u>	<u>(6,839)</u>
Total Comprehensive Planning	<u>135,455</u>	<u>142,294</u>	<u>(6,839)</u>
Judicial:			
Clerk of the Circuit Court:			
Personal Services	157,510	128,931	28,579
Operating Expenses	48,500	37,775	10,725
Capital Outlay	23,000	2,865	20,135
Total Clerk of the Circuit Court	<u>229,010</u>	<u>169,571</u>	<u>59,439</u>
Circuit Court:			
Operating Expenses	119,900	130,363	(10,463)
Capital Outlay	6,400	2,778	3,622
Total Circuit Court	<u>126,300</u>	<u>133,141</u>	<u>(6,841)</u>
County Court:			
Operating Expenses	4,350	5,241	(891)
Capital Outlay	-	-	-
Total County Court	<u>4,350</u>	<u>5,241</u>	<u>(891)</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
State Attorney:			
Operating Expenses	18,500	16,830	1,670
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total State Attorney	<u>18,500</u>	<u>16,830</u>	<u>1,670</u>
Public Defender:			
Operating Expenses	<u>11,600</u>	<u>10,256</u>	<u>1,344</u>
Total Public Defender	<u>11,600</u>	<u>10,256</u>	<u>1,344</u>
Court Reporters:			
Operating Expenses	<u>17,455</u>	<u>48,159</u>	<u>(30,704)</u>
Total Court Reporters	<u>17,455</u>	<u>48,159</u>	<u>(30,704)</u>
Total Judicial	<u>407,215</u>	<u>383,198</u>	<u>24,017</u>
Other General Governmental Services:			
Supervisor of Elections			
Personal Services	103,752	99,866	3,886
Operating Expenses	63,575	59,399	4,176
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Supervisor of Elections	<u>167,327</u>	<u>159,265</u>	<u>8,062</u>
Other Maintenance Services:			
Courthouse and Annexes:			
Personal Services	20,176	13,875	6,301
Operating Expenses	97,140	56,797	40,343
Capital Outlay	<u>8,500</u>	<u>-</u>	<u>8,500</u>
Total Other Maintenance Svcs.	<u>125,816</u>	<u>70,672</u>	<u>55,144</u>
Total Other General Governmental Services	<u>293,143</u>	<u>229,937</u>	<u>63,206</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TOTAL GENERAL GOVERNMENT SERVICES	<u>2,090,946</u>	<u>1,649,047</u>	<u>441,899</u>
<u>PUBLIC SAFETY</u>			
Fire Control:			
Operating Expenses	<u>11,300</u>	<u>11,014</u>	<u>286</u>
Total Fire Control	<u>11,300</u>	<u>11,014</u>	<u>286</u>
Detentions and/or Correction:			
Operating Expenses	292,482	255,548	36,934
Capital Outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Detention and/or Correction	<u>297,482</u>	<u>255,548</u>	<u>41,934</u>
Protective Inspections:			
Building Inspection:			
Personal Services	74,704	74,197	507
Operating Expenses	19,200	19,678	(478)
Capital Outlay	<u>1,000</u>	<u>372</u>	<u>628</u>
Total Building Inspection	<u>94,904</u>	<u>94,247</u>	<u>657</u>
Construction Industry Licensing:			
Personal Services	6,433	6,091	342
Operating Expenses	260	215	45
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Construction Industry Licensing	<u>6,693</u>	<u>6,306</u>	<u>387</u>
Total Protective Inspection	<u>101,597</u>	<u>100,553</u>	<u>1,044</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Emergency and Disaster Relief Services:			
Emergency Management:			
Personal Services	71,920	68,267	3,653
Operating Expenses	63,855	56,981	6,874
Capital Outlay	<u>16,527</u>	<u>21,364</u>	<u>(4,837)</u>
Total Emergency and Disaster Relief Services	<u>152,302</u>	<u>146,612</u>	<u>5,690</u>
Ambulance and Rescue Services:			
Personal Services	339,549	330,111	9,438
Operating Expenses	247,139	224,548	22,591
Capital Outlay	<u>39,300</u>	<u>35,700</u>	<u>3,600</u>
Total Ambulance and Rescue Svcs.	<u>625,988</u>	<u>590,359</u>	<u>35,629</u>
Medical Examiner			
Operating Expenses	<u>40,000</u>	<u>42,566</u>	<u>(2,566)</u>
TOTAL PUBLIC SAFETY	<u>1,228,669</u>	<u>1,146,652</u>	<u>82,017</u>
 <u>PHYSICAL ENVIRONMENT</u>			
Garbage/Solid Waste Disposal:			
Refuse:			
Personal Services	279,887	268,041	11,846
Operating Expenses	73,420	63,499	9,921
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Garbage/Solid Waste Disposal	<u>353,307</u>	<u>331,540</u>	<u>21,767</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Conservation and Resource Management:			
Soil Conservation:			
Operating Expenses	2,150	1,553	597
Total Soil Conservation	<u>2,150</u>	<u>1,553</u>	<u>597</u>
 Agriculture and Home Economics Agent:			
Personal Services	108,936	100,268	8,668
Operating Expenses	40,350	42,220	(1,870)
Capital Outlay	5,000	7,722	(2,722)
Total Agriculture and Home Economics Agent	<u>154,286</u>	<u>150,210</u>	<u>4,076</u>
 Total Conservation and Resource Management	<u>156,436</u>	<u>151,763</u>	<u>4,673</u>
 TOTAL PHYSICAL ENVIRONMENT	<u>509,743</u>	<u>483,303</u>	<u>26,440</u>
 <u>ECONOMIC ENVIRONMENT</u>			
Veterans Affairs			
Operating Expenses	2,600	2,703	(103)
 TOTAL ECONOMIC ENVIRONMENT	<u>2,600</u>	<u>2,703</u>	<u>(103)</u>
 <u>HUMAN SERVICES</u>			
Health:			
Health Department:			
Operating Expenses	14,100	13,159	941
Indigent Health Care:			
Operating Expenses	196,700	231,754	(35,054)
Total Health	<u>210,800</u>	<u>244,913</u>	<u>(34,113)</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Mental Health:			
Grants and Aids	12,600	13,075	(475)
TOTAL HUMAN SERVICES	<u>223,400</u>	<u>257,988</u>	<u>(34,588)</u>
 <u>CULTURE/RECREATION</u>			
Libraries:			
Personal Services	125,907	114,569	11,338
Operating Expenses	83,300	96,187	(12,887)
Capital Outlay	4,500	2,942	1,558
Total Libraries	<u>213,707</u>	<u>213,698</u>	<u>9</u>
Parks and Recreation:			
Personal Services	35,610	50,613	(15,003)
Operating Expenses	24,500	25,950	(1,450)
Capital Outlay	75,500	68,158	7,342
Total Parks and Recreation	<u>135,610</u>	<u>144,721</u>	<u>(9,111)</u>
TOTAL CULTURE/RECREATION	<u>349,317</u>	<u>358,419</u>	<u>(9,102)</u>
 <u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfer:			
Transfer to Fine & Forfeiture Fund	2,029,014	2,029,014	-
Transfer to Solid Waste Trust Fund	103,527	103,527	-
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>2,132,541</u>	<u>2,132,541</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$6,537,216</u>	<u>\$6,030,653</u>	<u>\$506,563</u>

**The County of Jefferson, Florida
Board of County Commissioners
Capital Projects Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE UNFAVORABLE)</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest and other	\$ -	\$ 66,569	\$ 66,569
<u>NON-REVENUE</u>			
Road Bond Proceeds	<u>621,432</u>	-	(621,432)
TOTAL REVENUES	<u>\$621,432</u>	<u>\$ 66,569</u>	<u>\$(554,863)</u>

The County of Jefferson, Florida
Board of County Commissioners
Capital Projects Fund

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TRANSPORTATION</u>			
Road Construction	<u>\$621,432</u>	<u>\$152,800</u>	<u>\$468,632</u>
TOTAL EXPENDITURES	<u>\$621,432</u>	<u>\$152,800</u>	<u>\$468,632</u>

**The County of Jefferson, Florida
Board of County Commissioners
Fine and Forfeiture Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TAXES			
Ad Valorem Taxes	\$ <u>586,598</u>	\$ <u>589,194</u>	\$ <u>2,596</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Grants from Other Governments: Public Safety	<u>204,451</u>	<u>239,732</u>	<u>35,281</u>
<u>CHARGES FOR SERVICES</u>			
General Government Sheriff's Fees	<u>15,000</u>	<u>15,200</u>	<u>200</u>
<u>FINES AND COSTS</u>			
Court Cases:			
County Fines	325,000	298,870	(26,130)
Court Education Trust Fund	5,500	15,427	9,927
Communication Trust Fund	<u>20,000</u>	<u>59,318</u>	<u>39,318</u>
TOTAL FINES AND COSTS	<u>350,500</u>	<u>373,615</u>	<u>23,115</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest and other	<u>-</u>	<u>11,109</u>	<u>11,109</u>
<u>NON-REVENUES</u>			
Transfer from General Fund	2,029,014	2,029,014	-
Transfer from Transportation Trust Fund	248,946	-	(248,946)
Transfer from Sales Tax Fund	<u>27,935</u>	<u>27,935</u>	<u>-</u>
TOTAL NON-REVENUES	<u>2,305,895</u>	<u>2,056,949</u>	<u>(248,946)</u>
TOTAL REVENUES	<u>\$3,462,444</u>	<u>\$3,285,799</u>	<u>\$(176,645)</u>

**The County of Jefferson, Florida
Board of County Commissioners
Fine and Forfeiture Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>PUBLIC SAFETY</u>			
Law Enforcement:			
Sheriff:			
Personal Services	\$ 1,812,829	\$ 1,393,714	\$ 419,115
Operating Expenses	503,998	739,241	(235,243)
Capital Outlay	<u>75,000</u>	<u>223,004</u>	<u>(148,004)</u>
TOTAL PUBLIC SAFETY	<u>\$ 2,391,827</u>	<u>\$ 2,355,959</u>	<u>\$ 35,868</u>

**The County of Jefferson, Florida
Board of County Commissioners
Grants Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Grants:			
Economic Environment:			
HUD	\$ 472,000	\$ 470,486	\$ (1,514)
Other Economic Environment	<u>693,303</u>	<u>168,654</u>	<u>(524,649)</u>
Total Federal Grants	<u>1,165,303</u>	<u>639,140</u>	<u>(526,163)</u>
State Grants:			
Economic Environment:			
State Housing Initiatives			
Partnership	<u>350,000</u>	<u>419,270</u>	<u>69,270</u>
Total State Grants	<u>350,000</u>	<u>419,270</u>	<u>69,270</u>
TOTAL INTERGOVERNMENTAL REVENUES	<u>1,515,303</u>	<u>1,058,410</u>	<u>(456,893)</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings and Other	-	<u>6,646</u>	<u>6,646</u>
TOTAL REVENUES	<u>\$1,515,303</u>	<u>\$1,065,056</u>	<u>\$(450,247)</u>

**The County of Jefferson, Florida
Board of County Commissioners
Grants Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>ECONOMIC ENVIRONMENT</u>			
Employment Opportunity and Development:			
Housing and Urban Development			
Personal Services	\$ 65,200	\$ 81,679	\$(16,479)
Operating Expenses	<u>406,800</u>	<u>440,012</u>	<u>(33,212)</u>
Total Housing and Urban Development	<u>472,000</u>	<u>521,691</u>	<u>(49,691)</u>
Other Economic Development			
Personal Services	71,285	115,636	(44,351)
Operating Expenses	<u>972,018</u>	<u>179,260</u>	<u>792,758</u>
Total Other Economic Development	<u>1,043,303</u>	<u>294,896</u>	<u>748,407</u>
TOTAL EXPENDITURES	<u>\$1,515,303</u>	<u>\$ 816,587</u>	<u>\$698,716</u>

**The County of Jefferson, Florida
Board of County Commissioners
County Transportation Trust Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Local Option Gasoline Tax	\$ <u>864,500</u>	\$ <u>842,031</u>	\$ <u>(22,469)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
State Grants:			
DOT striping grant	<u>500,000</u>	<u>499,647</u>	<u>(353)</u>
Federal Shared Revenue			
Federal Emergency Management	<u>-</u>	<u>128,328</u>	<u>128,328</u>
State Shared Revenue			
General Government			
Racing Tax Funds	<u>111,625</u>	<u>111,625</u>	<u>-</u>
Transportation:			
Motor Fuel Tax	16,500	27,729	11,229
Gasoline Tax Pour Over			
Trust	291,836	284,175	(7,661)
Gasoline Tax - 5th and			
6th cent	<u>337,673</u>	<u>358,034</u>	<u>20,361</u>
Total Transportation	<u>646,009</u>	<u>669,938</u>	<u>23,929</u>
TOTAL INTERGOVERNMENTAL REVENUE	<u>1,257,634</u>	<u>1,409,538</u>	<u>151,904</u>
<u>MISCELLANEOUS REVENUE</u>			
Pipe Installation Fees	16,804	14,627	(2,177)
Interest Earnings	15,000	29,963	14,963
Other Miscellaneous Revenue	<u>1,378</u>	<u>2,108</u>	<u>730</u>
TOTAL MISCELLANEOUS REVENUE	<u>33,182</u>	<u>46,698</u>	<u>13,516</u>
TOTAL REVENUES	<u>\$2,155,316</u>	<u>\$2,298,267</u>	<u>\$142,951</u>

**The County of Jefferson, Florida
Board of County Commissioners
County Transportation Trust Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>TRANSPORTATION</u>			
Road and Street Facilities:			
Roads and Bridges:			
Personal Services	878,612	806,156	72,456
Operating Expenses	919,214	1,286,743	(367,529)
Capital Outlay	<u>361,270</u>	<u>267,233</u>	<u>94,037</u>
TOTAL TRANSPORTATION	<u>2,159,096</u>	<u>2,360,132</u>	<u>(201,036)</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to Fine & Forfeiture Fund	<u>248,946</u>	-	<u>248,946</u>
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>248,946</u>	-	<u>248,946</u>
TOTAL EXPENDITURES	<u>\$2,408,042</u>	<u>\$2,360,132</u>	<u>\$ 47,910</u>

**The County of Jefferson, Florida
Board of County Commissioners
Fire District Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>MISCELLANEOUS REVENUES</u>			
Fire Assessment	\$324,224	\$325,436	\$ 1,212
Interest Earnings	10,870	10,870	-
Miscellaneous	<u> -</u>	<u> 952</u>	<u> 952</u>
TOTAL REVENUES	<u>\$335,094</u>	<u>\$337,258</u>	<u>\$ 2,164</u>

**The County of Jefferson, Florida
Board of County Commissioners
Fire District Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PUBLIC SAFETY</u>			
Fire Control:			
Personal Services	\$240,226	\$239,676	\$ 550
Operating Expenses	51,560	52,104	(544)
Capital Outlay	<u>28,370</u>	<u>27,952</u>	<u>418</u>
TOTAL EXPENDITURES	<u>\$320,156</u>	<u>\$319,732</u>	<u>\$ 424</u>

The County of Jefferson, Florida
Board of County Commissioners
Local Option Sales Tax Fund

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Local Option Sales Tax	\$455,511	\$ 483,048	\$27,537
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	_____ -	_____ 8,218	_____ 8,218
TOTAL REVENUES	<u>\$455,511</u>	<u>\$491,266</u>	<u>\$35,755</u>

**The County of Jefferson, Florida
Board of County Commissioners
Local Option Sales Tax Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to Fine & Forfeiture Fund	\$ 27,935	\$ 27,935	\$ -
Trasnfer to Debt Service Fund	<u>865,135</u>	<u>165,135</u>	<u>700,000</u>
 TOTAL EXPENDITURES	 <u>\$893,070</u>	 <u>\$193,070</u>	 <u>\$700,000</u>

**The County of Jefferson, Florida
Board of County Commissioners
Local Government Criminal Justice Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>FINES AND COSTS</u>			
Court Fines	\$18,000	\$30,313	\$12,313
<u>MISCELLANEOUS REVENUE</u>			
Interest Earned	-	734	734
TOTAL REVENUES	<u>\$18,000</u>	<u>\$31,047</u>	<u>\$13,047</u>

**The County of Jefferson, Florida
Board of County Commissioners
Local Government Criminal Justice Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>NON-EXPENDITURE DISBURSEMENT</u>			
Interfund Transfer:			
Transfer to General Fund	\$74,451	\$ _____ -	\$74,451
TOTAL EXPENDITURES	<u>\$74,451</u>	<u>\$ _____ -</u>	<u>\$74,451</u>

**The County of Jefferson, Florida
Board of County Commissioners
Solid Waste Trust Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
State Grants:			
Physical Environment	\$ <u>165,422</u>	\$ <u>155,631</u>	\$(<u>9,791</u>)
<u>MISCELLANEOUS REVENUE</u>			
Solid Waste Special Assessment	729,213	729,777	564
Interest Earnings	36,912	36,912	-
Other	<u>10,000</u>	<u>6,849</u>	(<u>3,151</u>)
TOTAL MISCELLANEOUS REVENUE	<u>776,125</u>	<u>773,538</u>	(<u>2,587</u>)
NON-REVENUE			
Transfer from General Fund	<u>103,527</u>	<u>103,527</u>	-
TOTAL REVENUES	<u>\$1,045,074</u>	<u>\$1,032,696</u>	\$(<u>12,378</u>)

**The County of Jefferson, Florida
Board of County Commissioners
Solid Waste Trust Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>PHYSICAL ENVIRONMENT</u>			
Garbage/Solid Waste Disposal:			
Landfill/Refuse:			
Personal Services	\$ 233,571	\$ 167,642	\$ 65,929
Operating Expenses	829,075	880,085	(51,010)
Capital Outlay	_____	_____	_____
 TOTAL EXPENDITURES	 <u>\$1,062,646</u>	 <u>\$1,047,727</u>	 <u>\$ 14,919</u>

The County of Jefferson, Florida
Board of County Commissioners
911 Fund

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>CHARGES FOR SERVICES</u>			
Public Safety: Emergency Service Fees	<u>\$25,000</u>	<u>\$51,680</u>	<u>\$26,680</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>7,320</u>	<u>7,320</u>
TOTAL REVENUES	<u>\$25,000</u>	<u>\$59,000</u>	<u>\$34,000</u>

**The County of Jefferson, Florida
Board of County Commissioners
911 Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>PUBLIC SAFETY</u>			
Emergency and Disaster Relief Services:			
Emergency Communications System Operating Expenses	\$ <u>129,711</u>	\$ <u>24,792</u>	\$ <u>104,919</u>
TOTAL EXPENDITURES	\$<u>129,711</u>	\$<u>24,792</u>	\$<u>104,919</u>

**The County of Jefferson, Florida
Board of County Commissioners
Debt Service Fund**

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 2001

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
State Shared Revenue:			
Transportation			
Gasoline Tax - 5th and 6th			
Cent	\$ <u>290,600</u>	\$ <u>290,686</u>	\$ <u>86</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>4,794</u>	<u>4,794</u>
<u>NON-REVENUES</u>			
Transfer from Sales Tax Fund	865,135	165,135	(700,000)
Transfer from Capital Projects Fund	<u>2,116,096</u>	<u>-</u>	<u>(2,116,096)</u>
TOTAL NON-REVENUES	<u>2,981,231</u>	<u>165,135</u>	<u>(2,816,096)</u>
TOTAL REVENUES	<u>\$3,271,831</u>	<u>\$ 460,615</u>	<u>\$(2,811,216)</u>

**The County of Jefferson, Florida
Board of County Commissioners
Debt Service Fund**

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 2001

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>DEBT SERVICE</u>			
Principal Retirement	\$587,000	\$525,000	\$ 62,000
Interest	298,300	314,882	(16,582)
Other expenses	<u> -</u>	<u> 146</u>	<u> (146)</u>
TOTAL EXPENDITURES	<u>\$885,300</u>	<u>\$840,028</u>	<u>\$ 45,272</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.
DENNIS E. SCARRY, C.P.A.
DANA A. DIEHL, 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 4, 2002

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

MANAGEMENT LETTER

We have audited the financial statements of the Jefferson County, Florida, Board of County Commissioners, as of and for the fiscal year ended September 30, 2001, and have issued our report thereon dated February 4, 2002.

We have issued our Independent Auditor's Reports On Internal Control and On Compliance With Laws and Regulations both dated February 4, 2002. Disclosures in those reports, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with generally accepted auditing standards, and *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 or compliance: 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, 2001, 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, 2001.

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, 2001.

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.



Jefferson County, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2001

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts*</u>	<u>Disbursements</u>
<u>U.S. Department of HUD</u>				
Direct Programs:				
Section 8	14.195	N/A	\$453,691	\$453,691
Passed Through State				
Department of Community Affairs:				
Community Development Block Grant	14.228	00DB-6B-02-43-01-H01	92,247	92,247
Community Development Block Grant	14.228	00DB-79-02-43-01-D08	<u>26,882</u>	<u>26,882</u>
TOTAL DEPARTMENT OF HUD			<u>\$572,820</u>	<u>\$572,820</u>
<u>U.S. Department of Energy</u>				
Passed Through State				
Department of Community Affairs:				
Weatherization Assistance for Low-Income Persons	81.042	01-WX-69-02-43-01-012	<u>\$24,529</u>	<u>\$24,529</u>
TOTAL DEPARTMENT OF ENERGY			<u>\$24,529</u>	<u>\$24,529</u>
<u>U.S. Department of Agriculture</u>				
Passed Through State				
Department of Health:				
Food Distribution	10.550	5776	<u>\$6,893</u>	<u>\$6,893</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$6,893</u>	<u>\$6,893</u>
<u>U.S. Administration for Children and Families</u>				
Passed Through State				
Department of Community Affairs:				
Low-Income Home Energy Assistance	93.568	01-LE-35-02-43-01-012	\$7,467	\$7,467
Low-Income Home Energy Assistance	93.568	01-LH-62-02-43-01-012	10,576	10,576
Department of Revenue:				
Child Support Enforcement	93.563	CC333	<u>24,508</u>	<u>24,508</u>
TOTAL ADMINISTRATION FOR CHILDREN AND FAMILIES			<u>\$42,551</u>	<u>\$42,551</u>

Jefferson County, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED
For the year ended September 30, 2001

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts</u>	<u>Disbursements</u>
<u>U.S. Federal Emergency Management Agency</u>				
Passed Through State				
Department of Community Affairs:				
Emergency Management Assistance	83.534	00-EM-D3-02-43-01-033	\$ 10,821	\$ 10,821
Emergency Management Assistance	83.534	00-CP-05-02-43-01-033	52,203	52,203
Emergency Management Assistance	83.534	01-CP-04-02-43-01-033	126,174	126,174
Public Assistance Grants	83.544	FEMA-1344-DR-FL	44,937	44,937
Public Assistance Grants	83.544	02-RM-27-02-43-01-009	<u>83,391</u>	<u>83,391</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			<u>\$ 317,526</u>	<u>\$ 317,526</u>
<u>U.S. Department of Justice</u>				
Passed Through State Department of Community Affairs:				
Anti-Drug Abuse Act	16.579	00-CJ-D8-02-43-01-070	\$ 130,607	\$ 130,607
Anti-Drug Abuse Act	16.579	01-CJ-J1-02-43-01-221	41,250	41,250
Local Law Enforcement Block Grant	16.592	2000-LB-BX-3101	17,271	17,271
Local Law Enforcement Block Grant	16.592	2000-LB-VX-1308	<u>14,922</u>	<u>14,922</u>
TOTAL DEPARTMENT OF JUSTICE			<u>\$ 204,050</u>	<u>\$ 204,050</u>
<u>U.S. Department of Transportation</u>				
Passed Through State Department of Transportation:				
Highway Planning Construction	20.205	AI432	\$ <u>499,647</u>	\$ <u>499,647</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>\$ 499,647</u>	<u>\$ 499,647</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 1,668,016</u>	<u>\$ 1,668,016</u>

Jefferson County, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED
For the year ended September 30, 2001

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts</u>	<u>Disbursements</u>
State Assistance:				
Department of Environmental Protection				
Recycling and Education Grant	N/A	RE01-31	\$ 59,519	\$ 59,519
Waste Tire Grant	N/A	WT01-33	7,743	7,743
Waste Grant	N/A	SC01-19	48,396	48,396
Florida Recreation Development Assistance Program	N/A	F99088	16,310	16,310
Florida Recreation Development Assistance Program	N/A	F01203	50,000	50,000
Litter Control and Prevention Grant	N/A	LC 01-31	9,737	9,737
Hazardous Material Planning	N/A	HW445	<u>12,000</u>	<u>12,000</u>
TOTAL DEPARTMENT OF ENVIRONMENTAL PROTECTION			<u>\$ 203,705</u>	<u>\$ 203,705</u>
Department of State:				
State Aid to Libraries	N/A	01-ST-76	\$ 112,910	\$ 112,910
State Voting System Assistance	N/A	LS/SB 1118	<u>48,700</u>	<u>48,700</u>
TOTAL DEPARTMENT OF STATE			<u>\$ 161,610</u>	<u>\$ 161,610</u>
Department of Community Affairs:				
State Housing Initiatives Partnership	N/A	SHIP	\$ <u>350,000</u>	\$ <u>120,781</u>
TOTAL DEPARTMENT OF COMMUNITY AFFAIRS			<u>\$ 350,000</u>	<u>\$ 120,781</u>
Department of Health				
Emergency Medical Services	N/A	C0033	\$ <u>14,968</u>	\$ <u>14,968</u>
TOTAL DEPARTMENT OF HEALTH			<u>\$ 14,968</u>	<u>\$ 14,968</u>

Jefferson County, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED
For the year ended September 30, 2001

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts</u>	<u>Disbursements</u>
Department of Agriculture Mosquito Control	N/A	N/A	\$ <u>18,236</u>	\$ <u>18,236</u>
TOTAL DEPARTMENT OF AGRICULTURE			\$ <u>18,236</u>	\$ <u>18,236</u>
TOTAL STATE ASSISTANCE			\$ <u>748,519</u>	\$ <u>519,300</u>
TOTAL FEDERAL AND STATE ASSISTANCE			\$ <u>2,416,535</u>	\$ <u>2,187,316</u>

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

**JEFFERSON COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR END SEPTEMBER 30, 2001**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Finding 2001-1: Section 8, CFDA No. 14.195

Condition: Required annual inspection of units had not been completed and required documentation was missing for four of the tenant files selected for testing.

Current Status: Inspections of the questioned units were performed and the missing Documentation was obtained. No similar findings were noted in the 2001 audit.

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

February 4, 2002

**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, 2001, and have issued our report thereon dated February 4, 2002. 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.

Betts, Rogien, Schumbe, & Jones

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February 4, 2002

**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 programs for the year ended September 30, 2001. The Board of County Commissioners of Jefferson County, Florida's major federal 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 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*, and the provisions of the Public and Indian Housing Compliance Supplement dated May 29, 1996. 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 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 programs for the year ended September 30, 2001.

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 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 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 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.

Betts, Rogen, Schuch & Jones

JEFFERSON COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2001

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the combined financial statements of the Board of County Commissioners of Jefferson County, Florida.
2. There were no reportable conditions disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Board of County Commissioners of Jefferson County, Florida, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. There were no reportable conditions disclosed during the audit of internal control over major federal award programs.
5. The auditor's report on compliance for the major federal award programs for the Board of County Commissioners of Jefferson County, Florida expresses an unqualified opinion on all major federal programs.
6. There are no audit findings relative to the major federal award programs for the Board of County Commissioners of Jefferson County, Florida.
7. The programs tested as major programs included: 14.195 - Section 8 and 20.205 - Highway Planning and Construction.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Board of County Commissioners of Jefferson County, Florida was determined not to be a low-risk auditee.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

CLERK OF THE CIRCUIT COURT

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

BEN F. BETTS, JR., C.P.A.
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December 27, 2001

INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners and
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, 2001 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, 2001, 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 27, 2001 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.

Betts, Rogers, Schenck & Jones

The County of Jefferson, Florida
 Clerk of the Circuit Court

COMBINED BALANCE SHEET

September 30, 2001

	<u>GENERAL FUND</u>	<u>AGENCY FUND</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ -	\$208,139	\$208,139
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$208,139</u>	<u>\$208,139</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other governments	\$ -	\$130,517	\$130,517
Deposits held in escrow	<u>-</u>	<u>77,622</u>	<u>77,622</u>
Total liabilities	-	208,139	208,139
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$208,139</u>	<u>\$208,139</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
Clerk of the Circuit Court

COMBINING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 2001

	<u>SUSPENSE</u> <u>ACCOUNT</u>	<u>COURT</u> <u>REGISTRY</u>	<u>TAX</u> <u>REDEMPTION</u>	<u>TOTALS</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
ASSETS				
Cash	<u>\$168,515</u>	<u>\$21,180</u>	<u>\$18,444</u>	<u>\$208,139</u>
Total assets	<u>\$168,515</u>	<u>\$21,180</u>	<u>\$18,444</u>	<u>\$208,139</u>
LIABILITIES				
Due to other governments	\$130,517	\$ -	\$ -	\$130,517
Deposits held in escrow	<u>37,998</u>	<u>21,180</u>	<u>18,444</u>	<u>77,622</u>
Total liabilities	<u>\$168,515</u>	<u>\$21,180</u>	<u>\$18,444</u>	<u>\$208,139</u>

The accompanying notes are an integral part of this statement.

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

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

Year ended September 30, 2001

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
Clerk's fees	\$220,000	\$255,579	\$35,579
County appropriation	<u>226,860</u>	<u>226,860</u>	<u>-</u>
Total revenues	<u>446,860</u>	<u>482,439</u>	<u>35,579</u>
Expenditures			
Salary of official	79,814	79,814	-
Other salaries and benefits	295,546	267,669	27,877
Expenses other than salaries	48,500	37,775	10,725
Capital outlay	<u>23,000</u>	<u>2,865</u>	<u>20,135</u>
Total expenditures	<u>446,860</u>	<u>388,123</u>	<u>58,737</u>
Excess of revenues over (under) Expenditures	\$ <u>-</u>	94,316	<u>\$94,316</u>
Fund balance - beginning of year		-	
Less: Amount reverting to Board of County Commissioners		<u>94,316</u>	
Fund balance - end of year		\$ <u>-</u>	

The accompanying notes are an integral part of this statement.

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

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES

Year ended September 30, 2001

	AGENCY FUNDS			TOTALS (MEMORANDUM ONLY)
	SUSPENSE ACCOUNT	COURT REGISTRY	TAX REDEMPTION	
Receipts:				
Collection of fines	\$ 310,288	\$ -	\$ -	\$ 310,288
Documentary and surtax stamps	471,217	-	-	471,217
Fees for services	215,367	-	-	215,367
Intangible taxes	68,332	-	-	68,332
Individual and child support	1,322,632	-	-	1,322,632
Deposits received	700,764	211,576	18,571	930,911
Interest earned	<u>-</u>	<u>610</u>	<u>-</u>	<u>610</u>
Total receipts	<u>3,088,600</u>	<u>212,186</u>	<u>18,571</u>	<u>3,319,357</u>
Disbursements:				
Disbursement of fines	276,663	-	-	276,663
Documentary and surtax stamps	471,217	-	-	471,217
Disbursement of fees	195,793	-	-	195,793
Disbursement of intan- gible taxes	68,332	-	-	68,332
Individual and child support	1,322,632	-	-	1,322,632
Deposits distributed	<u>794,278</u>	<u>208,459</u>	<u>17,612</u>	<u>1,020,349</u>
Total disbursements	<u>3,128,915</u>	<u>208,459</u>	<u>17,612</u>	<u>3,354,986</u>
Excess of receipts over (under) disbursements	(40,315)	3,727	959	(35,629)
Beginning cash balances	<u>208,830</u>	<u>17,453</u>	<u>17,485</u>	<u>243,768</u>
Ending cash balances	<u>\$ 168,515</u>	<u>\$ 21,180</u>	<u>\$ 18,444</u>	<u>\$ 208,139</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2001

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 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 Clerk 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 (CONTINUED)

September 30, 2001

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 (CONTINUED)

September 30, 2001

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. 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.

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
Clerk of the Circuit Court**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2001

NOTE 3 - CASH

Cash Deposits

At September 30, 2001, the carrying amount of the Jefferson County Clerk's deposits was \$208,139 and the bank balance was \$451,042. 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 of the Circuit Court 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 \$292,606. The total payroll for the year ended September 30, 2001 was \$292,606.

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 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
Clerk of the Circuit Court**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2001

NOTE 4 - EMPLOYEE BENEFITS

Pension Plan (Concluded)

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 7.30% of the compensation for regular members and 15.14% for elected officials. During the years ended September 30, 2001, 2000, and 1999, the Jefferson County Clerk of the Circuit Court contributed \$31,504, \$33,944 and \$44,774, respectively. These contributions represented 100% of the Clerk'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, 2000.

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

CLERK OF THE CIRCUIT COURT

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

BEN F. BETTS, JR., C.P.A.
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December 27, 2001

MANAGEMENT LETTER

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, 2001, and have issued our report thereon dated December 27, 2001.

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 27, 2001. 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 determined there are no recommendations needed to improve the Jefferson County, Florida, Clerk of the Circuit Court's financial management, accounting procedures, and 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, 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, 2001, 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, 2001. 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.

Bette, Regen, Schuch, & Jones

BEN F. BETTS, JR., C.P.A.
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BETTS, ROGERS, SCHENCK & JONES
CERTIFIED PUBLIC ACCOUNTANTS
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MEMBERS
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PRACTICE SECTION OF THE
AMERICAN INSTITUTE OF CERTIFIED
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December 27, 2001

**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, 2001, and have issued our report thereon dated December 27, 2001. 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 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 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, Regen, Schuch & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

SUPERVISOR OF ELECTIONS

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

BEN F. BETTS, JR., C.P.A.
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)
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BETTS, ROGERS, SCHENCK & JONES
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION
December 14, 2001

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

INDEPENDENT AUDITORS' 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 Supervisor of Elections of Jefferson County, Florida, as of September 30, 2001 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 Supervisor of Elections 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 Supervisor of Elections of Jefferson County, Florida, as of September 30, 2001, 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 14, 2001 on our consideration of the Jefferson County, Florida Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Betts, Rogers, Schenck & Jones

The County of Jefferson, Florida
Supervisor of Elections
COMBINED BALANCE SHEET
September 30, 2001

	GENERAL FUND	AGENCY FUND (NOTE 2)	TOTALS (MEMORANDUM ONLY)
ASSETS			
Cash	\$ 8,191	\$ -	\$ 8,191
Due from others	1,767	-	1,767
Total assets	\$ 9,958	\$ -	\$ 9,958
 LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other agency	\$ 9,958	\$ -	\$ 9,958
Total liabilities	9,958	-	9,958
 Fund balances			
Total liabilities and fund balances	\$ 9,958	\$ -	\$ 9,958

The County of Jefferson, Florida
Supervisor of Elections
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended September 30, 2001

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
County Appropriation	\$ 166,252	166,252	\$ -
Interest earned	-	333	333
Total revenues	<u>166,252</u>	<u>166,585</u>	<u>333</u>
Expenditures			
Salary of official	64,816	64,146	670
Other salaries and benefits	38,936	35,720	3,216
Operating expenses	62,500	56,761	5,739
Capital outlay	-	-	-
Total expenditures	<u>166,252</u>	<u>156,627</u>	<u>9,625</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 9,958</u>	<u>\$ 9,958</u>
Fund balance- beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>(9,958)</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, 2001

	<u>AGENCY FUND</u>
Receipts	
Candidate qualifying fees	\$ -
Total receipts	<u>-</u>
 Disbursements	 <u>-</u>
Excess of receipts over disbursements	-
Beginning cash balance	<u>-</u>
Ending cash balance	<u><u>\$ -</u></u>

The County of Jefferson, Florida
Supervisor of Elections
NOTES TO FINANCIAL STATEMENTS
September 30, 2001

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 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 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 (CONTINUED)
September 30, 2001

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 (CONTINUED)
September 30, 2001

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 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 (CONTINUED)
September 30, 2001

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, 2001, the carrying amount of the Jefferson County Supervisor's deposits was \$8,191 and the bank balance was \$13,975. 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 \$81,576. The total payroll for the year ended September 30, 2001 was \$81,576.

The County of Jefferson, Florida
Supervisor of Elections
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2001

NOTE 4 - EMPLOYEE BENEFITS

Pension Plan (Continued)

All eligible employees of the Jefferson County Supervisor of Elections 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 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 7.30% of the compensation for regular members and 15.14% for elected officials. During the years ended September 30, 2001, 2000 and 1999, the Jefferson County Supervisor of Elections contributed \$12,052, \$12,814 and \$17,568, 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, 2001

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

CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL ASSOCIATION

December 14, 2001

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, 2001, and have issued our report thereon dated December 14, 2001.

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 14, 2001. 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 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 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, Supervisor of Elections financial management, accounting procedures, and internal control. Based on our audit, we determined there are no recommendations needed to improve the Jefferson County, Florida, Supervisor of Election's financial management, accounting procedures, and 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 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., 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, 2001, 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 20, 2001.

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 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.

Beth Rogan, Accountant in Charge

BEN F. BETTS, JR., C.P.A.
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AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

December 14, 2001

**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 Supervisor of Elections of Jefferson County, Florida as of and for the year ended September 30, 2001, and have issued our report thereon dated December 14, 2001. 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 Supervisor of Elections 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 Supervisor of Elections 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 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 Rogew, Schuch & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

PROPERTY APPRAISER

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

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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PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

November 7, 2001

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, 2001, 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, 2001, 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 November 7, 2001 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 and regulations, contracts and grants.

Betts, Rogers, Schenck & Jones

The County of Jefferson, Florida
Property Appraiser

COMBINED BALANCE SHEET

September 30, 2001

	<u>GENERAL FUND</u>	<u>AGENCY FUND (NOTE B)</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
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**

Year ended September 30, 2001

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$ 341,751	\$ 341,751	\$ -
Interest earned	-	809	809
Other miscellaneous	-	6	6
Total revenues	<u>341,751</u>	<u>342,566</u>	<u>815</u>
Expenditures			
Salary of official	79,814	79,814	-
Other salaries and benefits	153,114	143,263	9,851
Operating expenses	89,176	76,959	12,217
Capital outlay	19,647	13,202	6,445
Total expenditures	<u>341,751</u>	<u>313,238</u>	<u>28,513</u>
Excess of revenues over expenditures	<u>\$ -</u>	29,328	<u>\$ 29,328</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>29,328</u>	
Fund balance - end of year		<u>\$ -</u>	

The County of Jefferson, Florida
Property Appraiser

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

Year ended September 30, 2001

	<u>AGENCY FUND</u>
Receipts	
Aerial print and map sales	\$ 2,093
Real property tag fees	30
Water Management District Commissions	<u>3,315</u>
Total receipts	3,345
Disbursements	
Board of County Commissioners	<u>5,438</u>
Excess of receipts over (under) disbursements	-
Beginning cash balance	<u>-</u>
Ending cash balance	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2001

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 (CONTINUED)

September 30, 2001

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 (CONTINUED)

September 30, 2001

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 (CONTINUED)

September 30, 2001

NOTE 3 - CASH

Cash Deposits

At September 30, 2001, the carrying amount of the Jefferson County Property Appraiser's deposits was \$0 and the bank balance was \$50,903. 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 \$185,053. The total payroll for the year ended September 30, 2001 was \$185,053.

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 (CONTINUED)

September 30, 2001

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 7.30% of the compensation for regular members and 15.14% for elected officials. During the years ended September 30, 2001, 2000, and 1999, the Jefferson County Property Appraiser contributed \$23,449, \$24,390 and \$32,713, 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, 2000.

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

**PROPERTY APPRAISER
THE COUNTY OF JEFFERSON, FLORIDA**

September 30, 2001

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

November 7, 2001

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, 2001, and have issued our report thereon dated November 7, 2001.

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 November 7, 2001. 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, 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 determined there are no recommendations needed to improve the Jefferson County, Florida, Property Appraiser's financial management, accounting procedures, and 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, 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, 2001, 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, 2001. 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.

Betta, Regen, Schuch & Jones

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November 7, 2001

**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 Property Appraiser of Jefferson County, Florida as of and for the year ended September 30, 2001, and have issued our report thereon dated November 7, 2001. 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 Property Appraiser 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 Property Appraiser 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 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, Ragan, Schuch, & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

TAX COLLECTOR

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

BEN F. BETTS, JR., C.P.A.
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)
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December 6, 2001

INDEPENDENT AUDITORS' 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 Tax Collector of Jefferson County, Florida, as of September 30, 2001, 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 Tax Collector 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 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 Tax Collector of Jefferson County, Florida, as of September 30, 2001, 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 6, 2001 on our consideration of the Jefferson County, Florida Tax Collector's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Betts, Rogers, Schenck & Jones

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

COMBINED BALANCE SHEET

September 30, 2001

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$30,394	\$209,500	\$239,894
Due from individuals	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$30,394</u>	<u>\$209,500</u>	<u>\$239,894</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other agencies	\$30,394	\$209,500	\$239,894
Deposits held in escrow	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	30,394	209,500	239,894
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$30,394</u>	<u>\$209,500</u>	<u>\$239,894</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
Tax Collector

COMBINING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 2001

	<u>TAX</u> <u>ACCOUNT</u>	<u>TAG</u> <u>ACCOUNT</u>	<u>TOTALS</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
ASSETS			
Cash	<u>\$53,759</u>	<u>\$155,741</u>	<u>\$209,500</u>
Total assets	<u>\$53,759</u>	<u>\$155,741</u>	<u>\$209,500</u>
LIABILITIES			
Due to other agencies	<u>\$53,759</u>	<u>\$155,741</u>	<u>\$209,500</u>
Total Liabilities	<u>\$53,759</u>	<u>\$155,741</u>	<u>\$209,500</u>

The accompanying notes are an integral part of this statement.

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

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

Year ended September 30, 2001

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$328,602	\$ 328,602	\$ -
Fees and other	<u>-</u>	<u>100,668</u>	<u>100,668</u>
Total revenues	<u>328,602</u>	<u>429,270</u>	<u>100,668</u>
Expenditures			
Personal services	253,574	253,574	-
Operating expenses	75,028	53,299	21,729
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>328,602</u>	<u>306,873</u>	<u>21,729</u>
Excess of revenues over expenditures	<u>\$ -</u>	122,397	<u>\$122,397</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>122,397</u>	
Fund balance - end of year		<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

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

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES

Year ended September 30, 2001

	AGENCY FUNDS		TOTALS
	TAX	TAG	(MEMORANDUM
	ACCOUNT	ACCOUNT	ONLY)
Receipts			
Real and personal property taxes	\$6,732,100	\$ -	\$ 6,732,100
Special assessments	-	-	-
Tax certificates redeemed	404,992	-	404,992
Other	47,280	37,886	85,166
Motor vehicle tags and titles	-	5,999,915	5,999,915
Boat titles and registrations	-	-	-
Sales tax	-	1,828,585	1,828,585
Hunting and fishing licenses	-	58,573	58,573
Driver licenses	-	72,197	72,197
Interest	2,900	167	3,067
Fees	<u>-</u>	<u>271,644</u>	<u>271,644</u>
 Total receipts	 <u>7,187,272</u>	 <u>8,268,967</u>	 <u>15,456,239</u>
Disbursements:			
Disbursement of real and personal property taxes	6,748,247	-	6,748,247
State of Florida	-	7,804,615	7,804,615
Proceeds-tax certificates redeemed	384,948	-	384,948
Special assessments	-	-	-
Other	57,238	54,663	111,901
Interest	1,666	-	1,666
Fees reverting to Board of County Commissioners	<u>15,012</u>	<u>271,463</u>	<u>286,475</u>
 Total disbursements	 <u>7,207,111</u>	 <u>8,130,741</u>	 <u>15,337,852</u>
Excess of receipts over (under) disbursements	(19,839)	138,226	118,387
Beginning cash balances	<u>73,598</u>	<u>17,515</u>	<u>91,113</u>
 Ending cash balances	 <u>\$ 53,759</u>	 <u>\$ 155,741</u>	 <u>\$ 209,500</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2001

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 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 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 (CONTINUED)

September 30, 2001

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 (CONTINUED)

September 30, 2001

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 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 (CONTINUED)

September 30, 2001

NOTE 3 - CASH

Cash Deposits

At September 30, 2001 the carrying amount of the Jefferson County Tax Collector's deposits was \$239,894 and the bank balance was \$414,470. 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 \$202,793. The total payroll for the year ended September 30, 2001 was \$203,663.

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 (CONTINUED)

September 30, 2001

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 7.30% of the compensation for regular members and 15.14% for elected officials. During the years ended September 30, 2001, 2000, and 1999, the Jefferson County Tax Collector contributed \$23,555, \$22,413 and \$27,415, respectively. These contributions represented 100% of the Tax Collector'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**

TAX COLLECTOR

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

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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FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

December 6, 2001

MANAGEMENT LETTER

Honorable Lois H. Hunter
Tax Collector
Jefferson County, Florida

We have audited the financial statements of the Jefferson County, Florida, Tax Collector, as of and for the fiscal year ended September 30, 2001, and have issued our report thereon dated December 6, 2001.

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 6, 2001. 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 Jefferson County, 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 Jefferson County, Florida, Tax Collector's financial management, accounting procedures, and 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 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., 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 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 Jefferson County, 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, 2001, 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, 2001.

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 Jefferson County, 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

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FLORIDA INSTITUTE OF CERTIFIED
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December 6, 2001

**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 Tax Collector of Jefferson County, Florida as of and for the year ended September 30, 2001, and have issued our report thereon dated December 6, 2001. 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 Tax Collector 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 Tax Collector 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 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 AUDITORS' REPORT

SHERIFF

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

BEN F. BETTS, JR., C.P.A.
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)
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November 21, 2001

INDEPENDENT AUDITORS' 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 Sheriff of Jefferson County, Florida, as of September 30, 2001, 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 Sheriff 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 Sheriff of Jefferson County, Florida, as of September 30, 2001, 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 November 21, 2001 on our consideration of the Jefferson County, Florida Sheriff'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
 Sheriff
 COMBINED BALANCE SHEET
 September 30, 2001**

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS				
Cash	\$ 34,649	\$ 276,656	\$ -	\$ 311,305
Transportation equipment	-	-	620,490	620,490
Furniture and other equipment	<u>-</u>	<u>-</u>	<u>582,822</u>	<u>582,822</u>
Total assets	<u>\$ 34,649</u>	<u>\$276,656</u>	<u>\$1,203,312</u>	<u>\$1,514,617</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Deposits held in escrow	\$ -	\$276,656	\$ -	\$ 276,656
Due to other agencies	<u>34,649</u>	<u>-</u>	<u>-</u>	<u>34,649</u>
Total liabilities	<u>34,649</u>	<u>276,646</u>	<u>-</u>	<u>311,305</u>
Fund balances				
Investment in general fixed assets	<u>-</u>	<u>-</u>	<u>1,203,312</u>	<u>1,203,312</u>
Total liabilities and fund balances	<u>\$ 34,649</u>	<u>\$276,656</u>	<u>\$1,203,312</u>	<u>\$1,514,617</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
Sheriff
COMBINING BALANCE SHEET - ALL AGENCY FUNDS
September 30, 2001

	<u>INDIVIDUAL DEPOSITORS</u>	<u>CASH APPEARANCE BOND</u>	<u>PRISONERS WELFARE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS				
Cash	\$ <u>20</u>	\$ <u>174,506</u>	\$ <u>102,130</u>	\$ <u>276,656</u>
Total Assets	\$ <u>20</u>	\$ <u>174,506</u>	\$ <u>102,130</u>	\$ <u>276,656</u>
LIABILITIES				
Deposits held in escrow	\$ <u>20</u>	\$ <u>174,506</u>	\$ <u>102,130</u>	\$ <u>276,656</u>
Total liabilities	\$ <u>20</u>	\$ <u>174,506</u>	\$ <u>102,130</u>	\$ <u>276,656</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
Sheriff
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
Year ended September 30, 2001

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$2,155,454	\$2,155,454	\$ -
Interest earned	<u>-</u>	<u>6,428</u>	<u>6,428</u>
Total revenues	<u>2,155,454</u>	<u>2,161,882</u>	<u>6,428</u>
Expenditures			
Personal services	1,812,829	1,393,714	419,115
Operating expenses	267,625	462,274	(194,649)
Capital Outlay	<u>75,000</u>	<u>223,004</u>	<u>(148,004)</u>
Total expenditures	<u>2,155,454</u>	<u>2,078,992</u>	<u>76,462</u>
Excess of revenues over expenditures	\$ <u>-</u>	82,890	\$ <u>82,890</u>
Fund balances - beginning of year		-	
Less: Amount reverting to Board of County Commissioners		<u>82,890</u>	
Fund balance - end of year		\$ <u>-</u>	

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
Sheriff
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
Year ended September 30, 2001

	AGENCY FUNDS			
	INDIVIDUAL DEPOSITORS	CASH APPEARANCE BOND	PRISONERS WELFARE	TOTALS (MEMORANDUM ONLY)
Receipts:				
Deposits received	\$10,245	\$ -	\$28,238	\$38,483
Cash appearance bonds	<u>-</u>	<u>40,202</u>	<u>-</u>	<u>40,202</u>
Total receipts	<u>10,245</u>	<u>40,202</u>	<u>28,238</u>	<u>78,685</u>
Disbursements:				
Disbursed to:				
Board of County Commissioners	10,460	-	-	10,460
Clerk of the Circuit Court	-	12,555	-	12,555
Others	<u>25</u>	<u>13,147</u>	<u>640</u>	<u>13,812</u>
Total disbursements	<u>10,485</u>	<u>25,702</u>	<u>640</u>	<u>36,827</u>
Excess of receipts over (under) disbursements	(240)	14,500	27,598	41,858
Beginning cash balances	<u>260</u>	<u>160,006</u>	<u>74,532</u>	<u>234,798</u>
Ending cash balances	<u>\$ 20</u>	<u>\$174,506</u>	<u>\$102,130</u>	<u>\$276,656</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida
Sheriff
NOTES TO FINANCIAL STATEMENTS
September 30, 2001

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 Chapters 30 and 129. 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 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 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 (CONTINUED)
September 30, 2001

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 appropriate 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 (CONTINUED)
September 30, 2001

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 (CONTINUED)
September 30, 2001

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, 2001, the carrying amount of the Jefferson County Sheriff's deposits was \$311,305 and the bank balance was \$782,574. 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 \$1,038,199. The total payroll for the year ended September 30, 2001 was \$1,087,552.

The County of Jefferson, Florida
Sheriff
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2001

NOTE 4 - EMPLOYEE BENEFITS (Continued)

All eligible employees of the Jefferson County Sheriff participate in the System. Effective July 1, 2001, the System provides vesting of benefits after six years of creditable service. 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 Sheriff, are required to contribute 7.30% of the compensation for regular members, 18.44% for high risk employees, and 15.14% for elected officials. During the years ended September 30, 2001, 2000 and 1999, the Jefferson County Sheriff contributed \$172,704, \$206,463 and \$213,805, respectively to the System for covered employees, which represents 100% of covered payroll.

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, 2000.

NOTE 5 - GENERAL FIXED ASSETS

All items of property and equipment are recorded at cost. Generally accepted accounting principles do not require depreciation of general fixed assets. The following table summarizes changes in components of the general fixed assets account group:

The County of Jefferson, Florida
Sheriff
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
September 30, 2001

NOTE 5 - GENERAL FIXED ASSETS (Continued)

	Balance Sept. 30 <u>2000</u>	<u>Additions</u>	<u>Deletions</u>	Balance Sept. 30 <u>2001</u>
Transportation equipment	\$ 628,212	\$164,899	\$172,621	\$ 620,490
Furniture and other equipment	<u>600,226</u>	<u>22,613</u>	<u>40,017</u>	<u>582,822</u>
	<u>\$1,228,438</u>	<u>\$187,512</u>	<u>\$212,638</u>	<u>\$1,203,312</u>

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

SHERIFF

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2001

BEN F. BETTS, JR., C.P.A.
EDGAR A. ROGERS, JR., C.P.A. (1945-2000)
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November 21, 2001

MANAGEMENT LETTER

Honorable Kenneth W. Fortune
Sheriff
Jefferson County, Florida

We have audited the financial statements of the Jefferson County, Florida, Sheriff, as of and for the fiscal year ended September 30, 2001, and have issued our report thereon dated November 21, 2001.

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 November 21, 2001. 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, Sheriff complied with Section 218.415,

Statutes, regarding the investment of public funds. We determined that Jefferson County, Florida, Sheriff 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, Sheriff's financial management, accounting procedures, and internal control. Based on our audit, we determined there are no recommendations needed to improve the Jefferson County, Florida, Sheriff's financial management, accounting procedures, and 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, 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 Jefferson County, 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 Jefferson County, Florida, Sheriff, for the fiscal year ended September 30, 2001, 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, 2001. 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, 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 Royen, Schuch & Jones

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November 21, 2001

**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 Kenneth W. Fortune
Sheriff
Jefferson County, Florida

We have audited the financial statements of the Sheriff of Jefferson County, Florida as of and for the year ended September 30, 2001, and have issued our report thereon dated November 21, 2001. 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 Sheriff 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 Sheriff 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 Sheriff, Board of County Commissioners and State Auditor General. However, this report is a matter of public record and its distribution is not limited.

Petto, Ragan, Schuch & Jones