

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

SEPTEMBER 30, 2002

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PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

February 10, 2003

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, 2002, 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 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 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, 2002, 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 January 31, 2003, 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 Ragun, Schmidt & Jones

The County of Jefferson, Florida
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 2002

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE
ASSETS				
Cash	\$ 465,192	\$ 1,580,588	\$ 1,078,483	\$ 240,818
Investments (Note B)	1,038,100	799,649	-	-
Accounts receivable (Note C)	313,860	-	-	-
Accrued interest receivable	-	-	5,054	-
Due from other governments	498,517	261,869	175,000	-
Due from other agencies	-	230,171	-	-
Due from other funds (Note I)	-	1,753,388	-	-
Loan to Grants Fund	83,336	-	-	-
Inventory of supplies (Note D)	-	118,203	-	-
Fixed assets (Note K)	-	-	-	-
Amount to be provided	-	-	-	-
	<u>\$ 2,399,005</u>	<u>\$ 4,743,868</u>	<u>\$ 1,258,537</u>	<u>\$ 240,818</u>
Total assets	<u>\$ 2,399,005</u>	<u>\$ 4,743,868</u>	<u>\$ 1,258,537</u>	<u>\$ 240,818</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Revenue bonds payable (Note E)	\$ -	\$ -	\$ -	\$ -
Installment purchase obligations (Note E)	-	-	-	-
Accounts payable	176,853	114,570	558	-
Due to other governments	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds (Note I)	120,676	684,323	835,279	113,110
Deposits held in escrow	4,840	-	-	-
Revenues collected in advance	-	33,645	-	-
Loan from General Fund	-	83,336	-	-
Contingencies (Note F)	-	-	-	-
	<u>302,369</u>	<u>915,874</u>	<u>835,837</u>	<u>113,110</u>
Total liabilities	<u>302,369</u>	<u>915,874</u>	<u>835,837</u>	<u>113,110</u>
Fund equity				
Investment in general fixed assets	-	-	-	-
General fixed assets acquired by gift	-	-	-	-
Fund balances				
Reserved (Note M)	-	933,342	422,700	127,708
Unreserved - undesignated	2,096,636	2,894,652	-	-
	<u>2,096,636</u>	<u>3,827,994</u>	<u>422,700</u>	<u>127,708</u>
Total fund equity	<u>2,096,636</u>	<u>3,827,994</u>	<u>422,700</u>	<u>127,708</u>
Total liabilities and fund equity	<u>\$ 2,399,005</u>	<u>\$ 4,743,868</u>	<u>\$ 1,258,537</u>	<u>\$ 240,818</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, 2002

	FIDUCIARY FUND TYPES			ACCOUNT GROUP	TOTAL (Note G) (MEMORANDUM ONLY)
	AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
ASSETS					
Cash	\$ 689,843	\$ -	\$ -	\$ 4,054,924	
Investments (Note B)	-	-	-	1,837,749	
Accounts receivable (Note C)	-	-	-	313,860	
Accrued interest receivable	-	-	-	5,054	
Due from other governments	-	-	-	935,386	
Due from other agencies	-	-	-	230,171	
Due from other funds (Note I)	-	-	-	1,753,388	
Loan to Grants Fund	-	-	-	83,336	
Inventory of supplies (Note D)	-	-	-	118,203	
Fixed assets (Note K)	-	14,078,710	-	14,078,710	
Amount to be provided	-	-	3,437,848	3,437,848	
Total assets	\$ 689,843	\$ 14,078,710	\$ 3,437,848	\$ 26,848,629	
LIABILITIES AND FUND EQUITY					
Liabilities					
Revenue bonds payable (Note E)	\$ -	\$ -	\$ 3,216,000	\$ 3,216,000	
Installment purchase obligations (Note E)	-	-	221,848	221,848	
Accounts payable	-	-	-	291,981	
Due to other governments	160,771	-	-	160,771	
Due to other agencies	315,862	-	-	315,862	
Due to other funds (Note I)	-	-	-	1,753,388	
Deposits held in escrow	213,210	-	-	218,050	
Revenues collected in advance	-	-	-	33,645	
Loan from General Fund	-	-	-	83,336	
Contingencies (Note F)	-	-	-	-	
Total liabilities	689,843	-	3,437,848	6,294,881	
Fund equity					
Investment in general fixed assets	-	12,406,401	-	12,406,401	
General fixed assets acquired by gift	-	1,672,309	-	1,672,309	
Fund balances					
Reserved (Note M)	-	-	-	1,483,750	
Unreserved - undesignated	-	-	-	4,991,288	
Total fund equity	-	14,078,710	-	20,553,748	
Total liabilities and fund equity	\$ 689,843	\$ 14,078,710	\$ 3,437,848	\$ 26,848,629	

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, 2002

	<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	\$ 1,369,807	\$ 3,126,273	\$ 175,000	\$ 265,888	\$ 4,936,968
Taxes	2,574,296	1,978,544	-	-	4,552,840
Fines and costs	-	595,190	-	-	595,190
Charges for services	921,053	97,077	-	-	1,018,130
Licenses and permits	169,956	-	-	-	169,956
Miscellaneous revenues	30,352	1,167,446	60,128	8,657	1,266,583
Total revenues	<u>5,065,464</u>	<u>6,964,530</u>	<u>235,128</u>	<u>274,545</u>	<u>12,539,667</u>
Expenditures					
General government	1,921,755	-	-	-	1,921,755
Public safety	1,301,719	2,722,332	-	-	4,024,051
Transportation	-	2,257,654	11,090	-	2,268,744
Physical environment	587,024	1,256,991	-	-	1,844,015
Economic environment	2,282	1,037,832	-	-	1,040,114
Human services	205,310	-	-	-	205,310
Culture and recreation	307,132	-	179,659	-	486,791
Debt service	-	-	-	567,192	567,192
Total expenditures	<u>4,325,222</u>	<u>7,274,809</u>	<u>190,749</u>	<u>567,192</u>	<u>12,357,972</u>
Excess of revenues over (under) expenditures	740,242	(310,279)	44,379	(292,647)	181,695
Other financing sources (uses)					
Operating transfers in	-	-	-	263,850	263,850
Operating transfers (out)	-	263,850	-	-	263,850
Debt proceeds	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	740,242	(574,129)	44,379	(28,797)	181,695
Fund balances - beginning 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>
Fund balances - end of year	<u>\$ 2,096,636</u>	<u>\$ 3,827,994</u>	<u>\$ 422,700</u>	<u>\$ 127,708</u>	<u>\$ 6,475,038</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, 2002

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 1,067,631	\$1,369,807	\$ 302,176	\$2,653,551	\$3,126,273	\$ 472,722
Taxes	2,620,324	2,574,296	(46,028)	1,981,123	1,978,544	(2,579)
Fines and costs	-	-	-	360,000	595,190	235,190
Charges for services	694,000	921,053	227,053	40,000	97,077	57,077
Licenses and permits	198,132	169,956	(28,176)	-	-	-
Miscellaneous revenues	-	30,352	30,352	1,075,370	1,167,446	92,076
Total revenues	4,580,087	5,065,464	485,377	6,110,044	6,964,530	854,486
Expenditures						
General government	2,367,209	1,921,755	445,454	-	-	-
Public safety	1,294,360	1,301,719	(7,359)	2,987,991	2,722,332	265,659
Transportation	-	-	-	1,982,665	2,257,654	(274,989)
Physical environment	444,873	587,024	(142,151)	1,142,539	1,256,991	(114,452)
Economic environment	3,010	2,282	728	1,541,522	1,037,832	503,690
Human services	260,748	205,310	55,438	-	-	-
Culture and recreation	313,840	307,132	6,708	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	4,684,040	4,325,222	358,818	7,654,717	7,274,809	379,908
Excess of revenues over (under) expenditures	(103,953)	740,242	844,195	(1,544,673)	(310,279)	1,234,394
Other financing sources (uses)						
Operating transfers in	722,168	-	(722,168)	89,642	-	(89,642)
Operating transfers (out)	-	-	-	527,081	263,850	263,231
Debt proceeds	-	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	618,215	740,242	122,027	(1,982,112)	(574,129)	1,407,983
Fund balances - beginning of year	1,356,394	1,356,394	-	4,402,123	4,402,123	-
Fund balances - end of year	\$ 1,974,609	\$2,096,636	\$ 122,027	\$2,420,011	\$3,827,994	\$ 1,407,983

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, 2002

	<u>CAPITAL PROJECTS</u>			<u>DEBT SERVICE</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	\$ 175,000	\$ 175,000	\$ -	\$ 290,235	\$ 265,888	\$ (24,347)
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	60,000	60,128	128	-	8,657	8,657
Total revenues	<u>235,000</u>	<u>235,128</u>	<u>128</u>	<u>290,235</u>	<u>274,545</u>	<u>(15,690)</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	50,000	11,090	38,910	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	185,000	179,659	5,341	-	-	-
Debt service	-	-	-	290,235	567,192	(276,957)
Total expenditures	<u>235,000</u>	<u>190,749</u>	<u>44,251</u>	<u>290,235</u>	<u>567,192</u>	<u>(276,957)</u>
Excess of revenues over (under) expenditures	-	44,379	44,379	-	(292,647)	(292,647)
Other financing sources (uses)						
Operating transfers in	2,673,972	-	(2,673,972)	263,850	263,850	-
Operating transfers (out)	-	-	-	3,222,551	-	3,222,551
Debt proceeds	-	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	2,673,972	44,379	(2,629,593)	(2,958,701)	(28,797)	2,929,904
Fund balances - beginning of year	378,321	378,321	-	156,505	156,505	-
Fund balances - end of year	<u>\$3,052,293</u>	<u>\$ 422,700</u>	<u>\$ (2,629,593)</u>	<u>\$ (2,802,196)</u>	<u>\$ 127,708</u>	<u>\$ 2,929,904</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, 2002

	TOTALS (MEMORANDUM ONLY) (NOTE G)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$ 4,186,417	\$ 4,936,968	\$ 750,551
Taxes	4,601,447	4,552,840	(48,607)
Fines and costs	360,000	595,190	235,190
Charges for services	734,000	1,018,130	284,130
Licenses and permits	198,132	169,956	(28,176)
Miscellaneous revenues	1,135,370	1,266,583	131,213
Total revenues	11,215,366	12,539,667	1,324,301
Expenditures			
General government	2,367,209	1,921,755	445,454
Public safety	4,282,351	4,024,051	258,300
Transportation	2,032,665	2,268,744	(236,079)
Physical environment	1,587,412	1,844,015	(256,603)
Economic environment	1,544,532	1,040,114	504,418
Human services	260,748	205,310	55,438
Culture and recreation	498,840	486,791	12,049
Debt service	290,235	567,192	(276,957)
Total expenditures	12,863,992	12,357,972	506,020
Excess of revenues over (under)	(1,648,626)	181,695	1,830,321
Other financing sources (uses)			
Operating transfers in	3,749,632	263,850	(3,485,782)
Operating transfers (out)	3,749,632	263,850	3,485,782
Debt proceeds	-	-	-

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, 2002

	TOTALS (MEMORANDUM ONLY) (NOTE G)		
Excess of revenues and other financing sources over (under) expenditures and other uses	(1,648,626)	181,695	1,830,321
Fund balances - beginning of year	<u>6,293,343</u>	<u>6,293,343</u>	<u> </u>
Fund balances - end of year	<u><u>\$ 4,644,717</u></u>	<u><u>\$ 6,475,038</u></u>	<u><u>\$ 1,830,321</u></u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2002

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 2002 millage rate assessed by the County was 10 mills.

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

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2002

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

September 30, 2002

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

September 30, 2002

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 as determined by the State of Florida Treasurer in accordance with procedures established by rule. These procedures shall include numerical parameters for 25-percent, 50-percent, 125-percent, and 200-percent pledge levels based on nationally recognized financial rating services information and established financial performance guidelines. 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

September 30, 2002

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 \$4,191,096 and the bank balances were \$5,238,380 at September 30, 2002. 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, 2002 and no further allowance is considered necessary. Bad debt expense for the year was \$272,202.

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

September 30, 2002

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

September 30, 2002

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

The changes in general long-term debt for the year ended September 30, 2002 follows:

	<u>Balance</u> <u>10/1/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/01</u>
Installment obligations	\$ 320,394	\$ -	\$ 98,545	\$ 221,849
Revenue bond	<u>3,330,000</u>	<u>-</u>	<u>114,000</u>	<u>3,216,000</u>
	<u>\$3,650,394</u>	<u>\$ -</u>	<u>\$212,545</u>	<u>\$3,437,849</u>

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

Year ending September 30:

2003	\$ 188,464
2004	178,601
2005	169,150
2006	147,968
2007	148,609
Thereafter	<u>2,605,057</u>
	<u>\$3,437,849</u>

NOTE F - CONTINGENCIES

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

NOTE 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

September 30, 2002

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

September 30, 2002

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, 2002 the contribution rates were as follows:

	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	0.00	5.76%
Florida Retirement System, County Elected Officers	0.00	11.86%

The County's 2001-2002 fiscal year payroll for all employees totaled \$4,192,886, including \$4,156,745 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, 2002, 2001 and 2000 totaled \$483,815, \$485,939 and \$514,404, 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

September 30, 2002

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 2001-2002 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 2001-2002 fiscal year and as of June 30, 2002, the Florida Retirement System held no securities issued by the County.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2002

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, 2002.
- 2) Excesses of expenditures over appropriations in individual funds. During the 2001-2002 fiscal year, there were no funds with excesses of expenditures over appropriations.
- 3) Individual fund interfund receivable and payable balances at September 30, 2002 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 113,110
Fine and Forfeiture Fund	274,969	-
General Fund	-	120,676
County Transportation Trust Fund	-	592,842
Capital Projects Fund	-	835,279
Grants Fund	-	91,481
Fire District Fund	278,451	-
Local Option Sales Tax Fund	523,650	-
Local Government Criminal Justice Fund	60,801	-
Solid Waste Trust Fund	344,149	-
911 Fund	<u>271,368</u>	<u>-</u>
	<u>\$1,753,388</u>	<u>\$1,753,388</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2002

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, 2002:

	Balance <u>9/30/01</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/02</u>
Land	\$ 659,060	\$ -	\$ -	\$ 659,060
Buildings	7,395,573	919	-	7,396,492
Equipment	5,659,468	663,173	299,483	6,023,158
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$13,714,101</u>	<u>\$ 664,092</u>	<u>\$299,483</u>	<u>\$14,078,710</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

September 30, 2002

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, 2002. 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, 2003	\$ 175,000
	May 1, 2004	185,000
	May 1, 2005	195,000
	May 1, 2006	205,000
	May 1, 2007	215,000
	May 1, 2007 and thereafter	<u>1,275,000</u>
		<u>\$2,250,000</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2002

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	\$118,203
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications trust fund	<u>815,139</u>
	<u>\$933,342</u>
Capital Projects Fund - Reserve for road construction	<u>\$422,700</u>
Debt Service Fund - Reserve for debt service	<u>\$127,708</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

September 30, 2002

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, 2002

	<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	\$ 251,159	\$ -	\$ -	\$ 315,862	\$ 122,822	\$ 689,843
Total assets	<u>\$ 251,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,862</u>	<u>\$ 122,822</u>	<u>\$ 689,843</u>
LIABILITIES						
Due to other governments	\$ 160,771	\$ -	\$ -	\$ -	\$ -	\$ 160,771
Due to other agencies	-	-	-	315,862	-	315,862
Deposits held in escrow	<u>90,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,822</u>	<u>213,210</u>
Total liabilities	<u>\$ 251,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,862</u>	<u>\$ 122,822</u>	<u>\$ 689,843</u>

The County of Jefferson, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Year ended September 30, 2002

	<u>BALANCE</u> <u>OCTOBER 1, 2001</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30, 2002</u>
<u>Clerk of the Circuit Court - Suspense Account</u>				
Assets:				
Cash	\$ 168,515	\$ 3,521,625	\$ 3,490,626	\$ 199,514
Liabilities:				
Due to other governments	\$ 130,517	\$ 2,671,305	\$ 2,641,051	\$ 160,771
Deposits held in escrow	37,998	850,320	849,575	38,743
	<u>\$ 168,515</u>	<u>\$ 3,521,625</u>	<u>\$ 3,490,626</u>	<u>\$ 199,514</u>
<u>Clerk of the Circuit Court - Court Registry</u>				
Assets:				
Cash	\$ 21,180	\$ 182,688	\$ 170,857	\$ 33,011
Liabilities:				
Deposits held in escrow	\$ 21,180	\$ 182,688	\$ 170,857	\$ 33,011
	<u>\$ 21,180</u>	<u>\$ 182,688</u>	<u>\$ 170,857</u>	<u>\$ 33,011</u>
<u>Clerk of the Circuit Court - Tax Redemption Account</u>				
Assets:				
Cash	\$ 18,444	\$ 25,132	\$ 24,942	\$ 18,634
Liabilities:				
Deposits held in escrow	\$ 18,444	\$ 25,132	\$ 24,942	\$ 18,634
	<u>\$ 18,444</u>	<u>\$ 25,132</u>	<u>\$ 24,942</u>	<u>\$ 18,634</u>
<u>Supervisor of Elections - Qualifying Account</u>				
Assets:				
Cash	\$ -	\$ 3,027	\$ 3,027	\$ -
Liabilities:				
Due to other agencies	\$ -	\$ 3,027	\$ 3,027	\$ -
	<u>\$ -</u>	<u>\$ 3,027</u>	<u>\$ 3,027</u>	<u>\$ -</u>
<u>Property Appraiser - Commission Account</u>				
Assets:				
Cash	\$ -	\$ 5,684	\$ 5,684	\$ -
Liabilities:				
Due to other agencies	\$ -	\$ 5,684	\$ 5,684	\$ -
	<u>\$ -</u>	<u>\$ 5,684</u>	<u>\$ 5,684</u>	<u>\$ -</u>

The County of Jefferson, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Year ended September 30, 2002

	<u>BALANCE</u> <u>OCTOBER 1, 2001</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30, 2002</u>
<u>Tax Collector - Tax Account</u>				
Assets:				
Cash	\$ 53,759	\$ 8,118,693	\$ 8,036,019	\$ 136,433
Liabilities:				
Due to other agencies	\$ 53,759	\$ 8,118,693	\$ 8,036,019	\$ 136,433
Deposits held in escrow	-	-	-	-
	<u>\$ 53,759</u>	<u>\$ 8,118,693</u>	<u>\$ 8,036,019</u>	<u>\$ 136,433</u>
<u>Tax Collector - Tag Account</u>				
Assets:				
Cash	\$ 155,741	\$ 9,192,497	\$ 9,168,809	\$ 179,429
Accounts receivable	-	-	-	-
	<u>\$ 155,741</u>	<u>\$ 9,192,497</u>	<u>\$ 9,168,809</u>	<u>\$ 179,429</u>
Liabilities:				
Due to other agencies	\$ 155,741	\$ 9,192,497	\$ 9,168,809	\$ 179,429
Deposits held in escrow	-	-	-	-
	<u>\$ 155,741</u>	<u>\$ 9,192,497</u>	<u>\$ 9,168,809</u>	<u>\$ 179,429</u>
<u>Sheriff - Individual Depositors Account</u>				
Assets:				
Cash	\$ 20	\$ 12,330	\$ 12,190	\$ 160
Liabilities:				
Deposits held in escrow	\$ 20	\$ 12,330	\$ 12,190	\$ 160
	<u>\$ 20</u>	<u>\$ 12,330</u>	<u>\$ 12,190</u>	<u>\$ 160</u>
<u>Sheriff - Appearance Bond Account</u>				
Assets:				
Cash	\$ 174,506	\$ 65,614	\$ 225,751	\$ 14,369
Liabilities:				
Deposits held in escrow	\$ 174,506	\$ 65,614	\$ 225,751	\$ 14,369
	<u>\$ 174,506</u>	<u>\$ 65,614</u>	<u>\$ 225,751</u>	<u>\$ 14,369</u>

The County of Jefferson, Florida
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Year ended September 30, 2002

	<u>BALANCE</u> <u>OCTOBER 1, 2001</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>SEPTEMBER 30, 2002</u>
<u>Sheriff - Prisoners Welfare Account</u>				
Assets:				
Cash	\$ 102,130	\$ 39,345	\$ 36,443	\$ 105,032
Liabilities:				
Deposits held in escrow	\$ 102,130	\$ 39,345	\$ 36,443	\$ 105,032
<u>Sheriff - Commissary Account</u>				
Assets:				
Cash	\$ -	\$ 47,400	\$ 44,139	\$ 3,261
Liabilities:				
Deposits held in escrow	\$ -	\$ 47,400	\$ 44,139	\$ 3,261
<u>Totals - All Agency Funds</u>				
Assets:				
Cash	\$ 694,295	\$ 21,214,035	\$ 21,218,487	\$ 689,843
Total assets	\$ 694,295	\$ 21,214,035	\$ 21,218,487	\$ 689,843
Liabilities:				
Due to other governments	\$ 130,517	\$ 2,671,305	\$ 2,641,051	\$ 160,771
Due to other agencies	209,500	17,319,901	17,213,539	315,862
Deposits held in escrow	354,278	1,222,829	1,363,897	213,210
Total liabilities	\$ 694,295	\$ 21,214,035	\$ 21,218,487	\$ 689,843

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 10, 2003

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

MANAGEMENT LETTER

We have audited the financial statements of the County of Jefferson, Florida, as of and for the fiscal year ended September 30, 2002, and have issued our report thereon dated February 10, 2003.

We have issued our Independent Auditor's Reports On Internal Control and On Compliance With Laws and Regulations both dated February 10, 2003. Disclosures in those reports, 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 *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 County of Jefferson, Florida 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 County of Jefferson, Florida, 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 County of Jefferson, Florida, for the fiscal year ended September 30, 2002, 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, 2002.

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, 2002.

This management letter is intended for the information of the County of Jefferson, Florida, its 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.

Betty Rogers, Schmidt & Jones

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

BOARD OF COUNTY COMMISSIONERS

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2002

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

February 10, 2003

INDEPENDENT AUDITOR'S 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, 2002, 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, 2002, 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 10, 2003, 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*, the *Rules of the Auditor General of the State of Florida*, and the *Florida Single Audit Act*, 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.

A handwritten signature in cursive script, reading "Betty, Roger, Schuck & Jones".

The County of Jefferson, Florida
Board of County Commissioners
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 2002

	GOVERNMENTAL FUND TYPES				ACCOUNT GROUP		TOTAL (Note G) (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
ASSETS							
Cash	\$ 465,192	\$ 1,580,588	\$ 1,078,483	\$ 240,818	\$ -	\$ -	\$ 3,365,081
Investments (Note B)	1,038,100	799,649	-	-	-	-	1,837,749
Accounts receivable (Note C)	313,860	-	-	-	-	-	313,860
Accrued interest receivable	-	-	5,054	-	-	-	5,054
Due from other governments	498,517	261,869	175,000	-	-	-	935,386
Due from other agencies	-	230,171	-	-	-	-	230,171
Due from other funds (Note I)	-	1,753,388	-	-	-	-	1,753,388
Loan to Grants Fund	83,336	-	-	-	-	-	83,336
Inventory of supplies (Note D)	-	118,203	-	-	-	-	118,203
Fixed assets (Note K)	-	-	-	-	12,634,180	-	12,634,180
Amount to be provided	-	-	-	-	-	3,437,848	3,437,848
Total assets	\$ 2,399,005	\$ 4,743,868	\$ 1,258,537	\$ 240,818	\$ 12,634,180	\$ 3,437,848	\$ 24,714,256
LIABILITIES AND FUND EQUITY							
Liabilities							
Revenue bonds payable (Note E)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,216,000	\$ 3,216,000
Installment purchase obligations (Note E)	-	-	-	-	-	221,848	221,848
Accounts payable	176,853	114,570	558	-	-	-	291,981
Due to other governments	-	-	-	-	-	-	-
Due to other agencies	-	-	-	-	-	-	-
Due to other funds (Note I)	120,676	684,323	835,279	113,110	-	-	1,753,388
Deposits held in escrow	4,840	-	-	-	-	-	4,840
Revenues collected in advance	-	33,645	-	-	-	-	33,645
Loan from General Fund	-	83,336	-	-	-	-	83,336
Contingencies (Note F)	-	-	-	-	-	-	-
Total liabilities	302,369	915,874	835,837	113,110	-	3,437,848	5,605,038
Fund equity							
Investment in general fixed assets	-	-	-	-	10,961,871	-	10,961,871
General fixed assets acquired by gift	-	-	-	-	1,672,309	-	1,672,309
Fund balances							
Reserved (Note M)	-	933,342	422,700	127,708	-	-	1,483,750
Unreserved - undesignated	2,096,636	2,894,652	-	-	-	-	4,991,288
Total fund equity	2,096,636	3,827,994	422,700	127,708	12,634,180	-	19,109,218
Total liabilities and fund equity	\$ 2,399,005	\$ 4,743,868	\$ 1,258,537	\$ 240,818	\$ 12,634,180	\$ 3,437,848	\$ 24,714,256

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, 2002

	<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	\$ 1,369,807	\$ 3,126,273	\$ 175,000	\$ 265,888	\$ 4,936,968
Taxes	2,574,296	1,978,544	-	-	4,552,840
Fines and costs	-	595,190	-	-	595,190
Charges for services	921,053	97,077	-	-	1,018,130
Licenses and permits	169,956	-	-	-	169,956
Miscellaneous revenues	30,352	1,167,446	60,128	8,657	1,266,583
Total revenues	<u>5,065,464</u>	<u>6,964,530</u>	<u>235,128</u>	<u>274,545</u>	<u>12,539,667</u>
Expenditures					
General government	1,921,755	-	-	-	1,921,755
Public safety	1,301,719	2,722,332	-	-	4,024,051
Transportation	-	2,257,654	11,090	-	2,268,744
Physical environment	587,024	1,256,991	-	-	1,844,015
Economic environment	2,282	1,037,832	-	-	1,040,114
Human services	205,310	-	-	-	205,310
Culture and recreation	307,132	-	179,659	-	486,791
Debt service	-	-	-	567,192	567,192
Total expenditures	<u>4,325,222</u>	<u>7,274,809</u>	<u>190,749</u>	<u>567,192</u>	<u>12,357,972</u>
Excess of revenues over (under) expenditures	740,242	(310,279)	44,379	(292,647)	181,695
Other financing sources (uses)					
Operating transfers in	-	-	-	263,850	263,850
Operating transfers (out)	-	263,850	-	-	263,850
Debt proceeds	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	740,242	(574,129)	44,379	(28,797)	181,695
Fund balances - beginning 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>
Fund balances - end of year	<u>\$ 2,096,636</u>	<u>\$ 3,827,994</u>	<u>\$ 422,700</u>	<u>\$ 127,708</u>	<u>\$ 6,475,038</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, 2002

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 1,067,631	\$1,369,807	\$ 302,176	\$2,653,551	\$3,126,273	\$ 472,722
Taxes	2,620,324	2,574,296	(46,028)	1,981,123	1,978,544	(2,579)
Fines and costs	-	-	-	360,000	595,190	235,190
Charges for services	694,000	921,053	227,053	40,000	97,077	57,077
Licenses and permits	198,132	169,956	(28,176)	-	-	-
Miscellaneous revenues	-	30,352	30,352	1,075,370	1,167,446	92,076
Total revenues	4,580,087	5,065,464	485,377	6,110,044	6,964,530	854,486
Expenditures						
General government	2,367,209	1,921,755	445,454	-	-	-
Public safety	1,294,360	1,301,719	(7,359)	2,987,991	2,722,332	265,659
Transportation	-	-	-	1,982,665	2,257,654	(274,989)
Physical environment	444,873	587,024	(142,151)	1,142,539	1,256,991	(114,452)
Economic environment	3,010	2,282	728	1,541,522	1,037,832	503,690
Human services	260,748	205,310	55,438	-	-	-
Culture and recreation	313,840	307,132	6,708	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	4,684,040	4,325,222	358,818	7,654,717	7,274,809	379,908
Excess of revenues over (under) expenditures	(103,953)	740,242	844,195	(1,544,673)	(310,279)	1,234,394
Other financing sources (uses)						
Operating transfers in	722,168	-	(722,168)	89,642	-	(89,642)
Operating transfers (out)	-	-	-	527,081	263,850	263,231
Debt proceeds	-	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	618,215	740,242	122,027	(1,982,112)	(574,129)	1,407,983
Fund balances - beginning of year	1,356,394	1,356,394	-	4,402,123	4,402,123	-
Fund balances - end of year	\$ 1,974,609	\$2,096,636	\$ 122,027	\$2,420,011	\$3,827,994	\$ 1,407,983

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, 2002

	<u>CAPITAL PROJECTS</u>			<u>DEBT SERVICE</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	\$ 175,000	\$ 175,000	\$ -	\$ 290,235	\$ 265,888	\$ (24,347)
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	60,000	60,128	128	-	8,657	8,657
Total revenues	<u>235,000</u>	<u>235,128</u>	<u>128</u>	<u>290,235</u>	<u>274,545</u>	<u>(15,690)</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	50,000	11,090	38,910	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	185,000	179,659	5,341	-	-	-
Debt service	-	-	-	290,235	567,192	(276,957)
Total expenditures	<u>235,000</u>	<u>190,749</u>	<u>44,251</u>	<u>290,235</u>	<u>567,192</u>	<u>(276,957)</u>
Excess of revenues over (under) expenditures	-	44,379	44,379	-	(292,647)	(292,647)
Other financing sources (uses)						
Operating transfers in	2,673,972	-	(2,673,972)	263,850	263,850	-
Operating transfers (out)	-	-	-	3,222,551	-	3,222,551
Debt proceeds	-	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	2,673,972	44,379	(2,629,593)	(2,958,701)	(28,797)	2,929,904
Fund balances - beginning of year	378,321	378,321		156,505	156,505	-
Fund balances - end of year	<u>\$3,052,293</u>	<u>\$ 422,700</u>	<u>\$ (2,629,593)</u>	<u>\$ (2,802,196)</u>	<u>\$ 127,708</u>	<u>\$ 2,929,904</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, 2002

	TOTALS (MEMORANDUM ONLY) (NOTE G)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$ 4,186,417	\$ 4,936,968	\$ 750,551
Taxes	4,601,447	4,552,840	(48,607)
Fines and costs	360,000	595,190	235,190
Charges for services	734,000	1,018,130	284,130
Licenses and permits	198,132	169,956	(28,176)
Miscellaneous revenues	1,135,370	1,266,583	131,213
Total revenues	11,215,366	12,539,667	1,324,301
Expenditures			
General government	2,367,209	1,921,755	445,454
Public safety	4,282,351	4,024,051	258,300
Transportation	2,032,665	2,268,744	(236,079)
Physical environment	1,587,412	1,844,015	(256,603)
Economic environment	1,544,532	1,040,114	504,418
Human services	260,748	205,310	55,438
Culture and recreation	498,840	486,791	12,049
Debt service	290,235	567,192	(276,957)
Total expenditures	12,863,992	12,357,972	506,020
Excess of revenues over (under)	(1,648,626)	181,695	1,830,321
Other financing sources (uses)			
Operating transfers in	3,749,632	263,850	(3,485,782)
Operating transfers (out)	3,749,632	263,850	3,485,782
Debt proceeds	-	-	-

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, 2002

	TOTALS (MEMORANDUM ONLY) (NOTE G)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Excess of revenues and other financing sources over (under) expenditures and other uses	(1,648,626)	181,695	1,830,321
Fund balances - beginning of year	6,293,343	6,293,343	
Fund balances - end of year	\$ 4,644,717	\$ 6,475,038	\$ 1,830,321

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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 2001 millage rate assessed by the County was 10 mills.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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 FINANCIAL STATEMENTS

September 30, 2002

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 FINANCIAL STATEMENTS

September 30, 2002

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 \$3,365,081 and the bank balances were \$3,735,339 at September 30, 2002. 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, 2002, and no further allowance is considered necessary. Bad debt expense for the year was \$272,202.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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 FINANCIAL STATEMENTS

September 30, 2002

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:

	Balance <u>9/30/2001</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>9/30/2002</u>
Installment obligations	\$ 320,394	\$ -	\$ 98,545	\$ 221,849
Revenue bond	<u>3,330,000</u>	<u>-</u>	<u>114,000</u>	<u>3,216,000</u>
	<u>\$3,650,394</u>	<u>\$ -</u>	<u>\$ 212,545</u>	<u>\$3,437,849</u>

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

Year ending September 30: 2003	\$ 188,464
2004	178,601
2005	169,150
2006	147,968
2007	148,609
Thereafter	<u>2,605,057</u>
	<u>\$3,437,849</u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

NOTE F - CONTINGENCIES

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

NOTE 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 FINANCIAL STATEMENTS

September 30, 2002

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, where benefits are defined and described in detail.

As of September 30, 2002 the contribution rates were as follows:

	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	0.00	5.76%
Florida Retirement System, County Elected Officers	0.00	11.86%

The County's 2001-2002 fiscal year payroll for all employees totaled \$2,169,702, including \$2,139,173 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, 2002, 2001 and 2000 totaled \$227,415, \$253,729 and \$248,324, respectively.

The County of Jefferson, Florida
Board of County Commissioners

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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 2001-2002 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 2001-2002 fiscal year and as of June 30, 2002, the Florida Retirement System held no securities issued by the County.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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, 2002.
- 2) Excesses of expenditures over appropriations in individual funds. During the 2001-2002 fiscal year, there were no funds with excesses of expenditures over appropriations.
- 3) Individual fund interfund receivable and payable balances at September 30, 2002 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 113,110
Fine and Forfeiture Fund	274,969	-
General Fund		120,676
County Transportation Trust Fund	-	592,842
Capital Projects Fund	-	835,279
Grants Fund	-	91,481
Fire District Fund	278,451	-
Local Option Sales Tax Fund	523,650	-
Local Government Criminal Justice Fund	60,801	-
Solid Waste Trust Fund	344,149	-
911 Fund	<u>271,368</u>	<u>-</u>
	<u>\$1,753,388</u>	<u>\$1,753,388</u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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, 2002:

	Balance <u>9/30/01</u>	<u>Additions</u>	<u>Deletions</u>	Balance
Land	\$ 659,060	\$ -	\$ -	\$ 659,060
Buildings	7,395,573	919	-	7,396,492
Equipment	4,456,156	338,454	215,981	4,578,629
Construction in progress	-	-	-	-
	<u>\$12,510,789</u>	<u>\$339,373</u>	<u>\$215,981</u>	<u>\$12,634,181</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 FINANCIAL STATEMENTS

September 30, 2002

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 or the general credit of Jefferson County, Florida is pledged on this bond issue.

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

The County had an arbitrage rebate liability of \$-0- as of October 1, 2002.

Information regarding the bond issue is as follows:

Amount of Issue:	\$3,600,000	
Date of Issue:	September 1, 1992	
Maturity Dates:		
	May 1, 2003	\$ 175,000
	May 1, 2004	185,000
	May 1, 2005	195,000
	May 1, 2006	205,000
	May 1, 2007	215,000
	May 1, 2008 and thereafter	<u>1,275,000</u>
		<u>\$2,250,000</u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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	\$118,203
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications trust fund	<u>815,139</u>
	<u>\$933,342</u>
Capital Projects Fund - Reserve for road construction	<u>\$422,700</u>
Debt Service Fund - Reserve for debt service	<u>\$127,708</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 post closure cost of maintenance, monitoring and testing is expected to be \$117,669 per year for the next 20 years. The above estimate of post closure costs is based upon information provided by environmental engineers and consultants under contract with the County. The landfill fund is a special revenue fund maintained by the County to accumulate the assets necessary to fund the post closure liabilities referenced above. The County maintains an escrow account to fund post closure costs annually.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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, 2002

	<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	\$ 339,586	\$ 1,143,074	\$ 97,928	\$ -	\$ -
Investments	14,427	-	785,222	-	-
Accrued interest receivable	-	-	-	-	-
Due from other governments	-	-	215,803	20	33,332
Due from other agencies	219,802	-	-	-	-
Due from other funds	274,969	-	-	278,451	523,650
Inventory of supplies, at cost	-	-	118,203	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 848,784</u>	<u>\$ 1,143,074</u>	<u>\$ 1,217,156</u>	<u>\$ 278,471</u>	<u>\$ 556,982</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ -	\$ 10,306	\$ 23,557	\$ 4,682	\$ -
Due to other funds	-	91,481	592,842	-	-
Revenues collected in advance	33,645	-	-	-	-
Due to other governments	-	-	-	-	-
Loan from General Fund	-	83,336	-	-	-
Contingencies	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>33,645</u>	<u>185,123</u>	<u>616,399</u>	<u>4,682</u>	<u>-</u>
Fund balances					
Reserved	815,139	-	118,203	-	-
Unreserved - undesignated	-	957,951	482,554	273,789	556,982
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>815,139</u>	<u>957,951</u>	<u>600,757</u>	<u>273,789</u>	<u>556,982</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 848,784</u>	<u>\$ 1,143,074</u>	<u>\$ 1,217,156</u>	<u>\$ 278,471</u>	<u>\$ 556,982</u>

The County of Jefferson, Florida
Board of County Commissioners
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
September 30, 2002

	LOCAL GOVERNMENT CRIMINAL JUSTICE FUND	SOLID WASTE TRUST FUND	911 FUND	COMBINED TOTALS
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 1,580,588
Investments	-	-	-	799,649
Accrued interest receivable	-	-	-	-
Due from other governments	2,378	10,336	-	261,869
Due from other agencies	-	-	10,369	230,171
Due from other funds	60,801	344,149	271,368	1,753,388
Inventory of supplies, at cost	-	-	-	118,203
Total assets	<u>\$ 63,179</u>	<u>\$ 354,485</u>	<u>\$ 281,737</u>	<u>\$ 4,743,868</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ -	\$ 75,248	\$ 777	\$ 114,570
Due to other funds	-	-	-	684,323
Revenues collected in advance	-	-	-	33,645
Due to other governments	-	-	-	-
Loan from General fund	-	-	-	83,336
Contingencies	-	-	-	-
Total liabilities	<u>-</u>	<u>75,248</u>	<u>777</u>	<u>915,874</u>
Fund balances				
Reserved	-	-	-	933,342
Unreserved - undesignated	<u>63,179</u>	<u>279,237</u>	<u>280,960</u>	<u>2,894,652</u>
Total fund balances	<u>63,179</u>	<u>279,237</u>	<u>280,960</u>	<u>3,827,994</u>
Total liabilities and fund balances	<u>\$ 63,179</u>	<u>\$ 354,485</u>	<u>\$ 281,737</u>	<u>\$ 4,743,868</u>

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
SPECIAL REVENUE FUNDS
Year ended September 30, 2002

	<u>FINES & FORFEITURE FUND</u>			<u>GRANTS 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	\$ 132,213	\$ 144,445	\$ 12,232	\$ 1,545,166	\$ 1,151,931	\$ (393,235)
Taxes	654,931	631,178	(23,753)	-	-	-
Fines and costs	340,000	565,252	225,252	-	-	-
Charges for services	10,000	13,530	3,530	-	-	-
Miscellaneous revenues	-	44,602	44,602	-	2,904	2,904
Total revenues	<u>1,137,144</u>	<u>1,399,007</u>	<u>261,863</u>	<u>1,545,166</u>	<u>1,154,835</u>	<u>(390,331)</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	2,482,928	2,351,755	131,173	-	-	-
Transportation	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	1,541,522	1,037,832	503,690
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>2,482,928</u>	<u>2,351,755</u>	<u>131,173</u>	<u>1,541,522</u>	<u>1,037,832</u>	<u>503,690</u>
Excess of revenues over (under) expenditures	(1,345,784)	(952,748)	393,036	3,644	117,003	(894,021)
Other financing sources (uses)						
Budgeted transfers in	-	-	-	-	-	-
Budgeted transfers (out)	246,011	-	246,011	-	-	-
Excess of revenues and other financing sources	(1,591,795)	(952,748)	639,047	3,644	117,003	(894,021)
Fund balances - beginning of year	<u>1,767,887</u>	<u>1,767,887</u>	<u>-</u>	<u>840,948</u>	<u>840,948</u>	<u>-</u>
Fund balances - end of year	<u>\$ 176,092</u>	<u>\$ 815,139</u>	<u>\$ 639,047</u>	<u>\$ 844,592</u>	<u>\$ 957,951</u>	<u>\$ (894,021)</u>

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
SPECIAL REVENUE FUNDS
Year ended September 30, 2002

	<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	\$ 799,707	\$1,526,165	\$ 726,458	\$ -	\$ -	\$ -
Taxes	887,379	884,183	(3,196)	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	28,100	39,585	11,485	330,358	325,279	(5,079)
Total revenues	<u>1,715,186</u>	<u>2,449,933</u>	<u>734,747</u>	<u>330,358</u>	<u>325,279</u>	<u>(5,079)</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	330,358	271,650	58,708
Transportation	1,982,665	2,257,654	(274,989)	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>1,982,665</u>	<u>2,257,654</u>	<u>(274,989)</u>	<u>330,358</u>	<u>271,650</u>	<u>58,708</u>
Excess of revenues over (under) expenditures	(267,479)	192,279	459,758	-	53,629	53,629
Other financing sources (uses)						
Budgeted transfers in	59,419	-	(59,419)	-	-	-
Budgeted transfers (out)	-	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	(208,060)	192,279	400,339	-	53,629	53,629
Fund balances - beginning of year	<u>408,478</u>	<u>408,478</u>		<u>220,160</u>	<u>220,160</u>	
Fund balances - end of year	<u>\$ 200,418</u>	<u>\$ 600,757</u>	<u>\$ 400,339</u>	<u>\$ 220,160</u>	<u>\$ 273,789</u>	<u>\$ 53,629</u>

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 SPECIAL REVENUE FUNDS
Year ended September 30, 2002

	<u>SOLID WASTE TRUST FUND</u>			<u>911 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	\$ 176,465	\$ 175,732	\$ (733)	\$ -	\$128,000	\$ 128,000
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	30,000	83,547	53,547
Miscellaneous revenues	716,912	750,333	33,421	-	1,509	1,509
Total revenues	<u>893,377</u>	<u>926,065</u>	<u>32,688</u>	<u>30,000</u>	<u>213,056</u>	<u>183,056</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	174,705	98,927	75,778
Transportation	-	-	-	-	-	-
Physical environment	1,142,539	1,256,991	(114,452)	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>1,142,539</u>	<u>1,256,991</u>	<u>(114,452)</u>	<u>174,705</u>	<u>98,927</u>	<u>75,778</u>
Excess of revenues over (under) expenditures	(249,162)	(330,926)	(81,764)	(144,705)	114,129	258,834
Other financing sources (uses)						
Budgeted transfers in	-	-	-	-	-	-
Budgeted transfers (out)	-	-	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	(249,162)	(330,926)	(81,764)	(144,705)	114,129	258,834
Fund balances - beginning of year	<u>610,163</u>	<u>610,163</u>		<u>166,831</u>	<u>166,831</u>	
Fund balances - end of year	<u>\$ 361,001</u>	<u>\$ 279,237</u>	<u>\$ (81,764)</u>	<u>\$ 22,126</u>	<u>\$280,960</u>	<u>\$ 258,834</u>

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 SPECIAL REVENUE FUNDS
281070

	<u>LOCAL OPTIONS SALES TAX FUND</u>			<u>LOCAL GOVERNMENT CRIMINAL JUSTICE 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	438,813	463,183	24,370	-	-	-
Fines and costs	-	-	-	20,000	29,938	9,938
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	-	3,018	3,018	-	216	216
Total revenues	<u>438,813</u>	<u>466,201</u>	<u>27,388</u>	<u>20,000</u>	<u>30,154</u>	<u>10,154</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	438,813	466,201	27,388	20,000	30,154	10,154
Other financing sources (uses)						
Budgeted transfers in	-	-	-	30,223	-	(30,223)
Budgeted transfers (out)	281,070	263,850	17,220	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	157,743	202,351	44,608	50,223	30,154	(20,069)
Fund balances - beginning of year	<u>354,631</u>	<u>354,631</u>		<u>33,025</u>	<u>33,025</u>	
Fund balances - end of year	<u>\$ 512,374</u>	<u>\$ 556,982</u>	<u>\$ 44,608</u>	<u>\$ 83,248</u>	<u>\$ 63,179</u>	<u>\$ (20,069)</u>

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 SPECIAL REVENUE FUNDS
Year ended September 30, 2002

	TOTALS (MEMORANDUM ONLY) (NOTE G)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$2,653,551	\$3,126,273	\$ 472,722
Taxes	1,981,123	1,978,544	(2,579)
Fines and costs	360,000	595,190	235,190
Charges for services	40,000	97,077	57,077
Miscellaneous revenues	1,075,370	1,167,446	92,076
Total revenues	6,110,044	6,964,530	854,486
Expenditures			
General government	-	-	-
Public safety	2,987,991	2,722,332	265,659
Transportation	1,982,665	2,257,654	(274,989)
Physical environment	1,142,539	1,256,991	(114,452)
Economic environment	1,541,522	1,037,832	503,690
Human services	-	-	-
Culture and recreation	-	-	-
Debt service	-	-	-
Total expenditures	7,654,717	7,274,809	379,908
Excess of revenues over (under) expenditures	(1,544,673)	(310,279)	1,234,394
Other financing sources (uses)			
Budgeted transfers in	89,642	-	(89,642)
Budgeted transfers (out)	527,081	263,850	263,231
Excess of revenues and other financing sources	(1,982,112)	(574,129)	1,407,983
Fund balances - beginning of year	4,402,123	4,402,123	-
Fund balances - end of year	\$2,420,011	\$3,827,994	\$ 1,407,983

The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Ad Valorem Taxes	\$ 2,619,724	\$2,573,809	\$ (45,915)
Franchise Fees	600	487	(113)
TOTAL TAXES	<u>2,620,324</u>	<u>2,574,296</u>	<u>(46,028)</u>
<u>LICENSES AND PERMITS</u>			
Occupational Licenses	2,000	3,775	1,775
Contractors Licenses	5,900	4,475	(1,425)
Building Permits	95,000	86,290	(8,710)
Development Code Permits	95,232	75,416	(19,816)
TOTAL LICENSES AND PERMITS	<u>198,132</u>	<u>169,956</u>	<u>(28,176)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Shared Revenues:			
Federal Wildlife	20,000	-	(20,000)
State Grants:			
Public Safety	129,054	205,064	76,010
Culture and Recreation	106,440	108,868	2,428
General Government	48,750	60,899	12,149
Total State Grants	<u>284,244</u>	<u>374,831</u>	<u>90,587</u>
State Shared Revenues:			
State Revenue Sharing	202,191	235,933	33,742
Insurance Agents' County Licenses	8,000	29,617	21,617
Mobile Home Licenses	6,000	7,042	1,042
Alcoholic Beverages Licenses	1,250	1,720	470
Racing Tax	111,625	111,625	-
Local Government Half-Cent Sales Tax	300,346	425,778	125,432
Emergency State Sales Tax Distribution	133,975	159,348	25,373
Payment in Lieu of Tax	-	23,913	23,913
Total State Shared Revenues	<u>763,387</u>	<u>994,976</u>	<u>231,589</u>
TOTAL INTERGOVERNMENTAL REVENUE	<u>1,067,631</u>	<u>1,369,807</u>	<u>302,176</u>

The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>CHARGES FOR SERVICES</u>			
General Government:			
Public Defender Liens	1,000	552	(448)
Law Library	1,500	2,345	845
Clerk of Court Fees	-	114,749	114,749
Tax Collector	360,000	376,826	16,826
Supervisor of Elections	-	1,891	1,891
Property Appraiser	<u>1,500</u>	<u>5,684</u>	<u>4,184</u>
Total General Government	<u>364,000</u>	<u>502,047</u>	<u>138,047</u>
Public Safety:			
Ambulance Fees	<u>300,000</u>	<u>360,797</u>	<u>60,797</u>
Physical/Environment:			
Garbage/Solid Waste Revenue	<u>30,000</u>	<u>58,209</u>	<u>28,209</u>
TOTAL CHARGES FOR SERVICES	<u>694,000</u>	<u>921,053</u>	<u>227,053</u>
<u>MISCELLANEOUS REVENUE</u>			
Sale of Surplus Property	-	100	100
Recovery Fees	-	1,699	1,699
Prior Year Refunds	-	17	17
Miscellaneous Revenues	<u>-</u>	<u>28,536</u>	<u>28,536</u>
TOTAL MISCELLANEOUS REVENUE	<u>-</u>	<u>30,352</u>	<u>30,352</u>

The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>NON-REVENUES</u>			
Interfund Transfers:			
Fine & Forfeiture Fund	246,011	-	(246,011)
Debt Service Fund	476,157	-	(476,157)
TOTAL NON-REVENUES	722,168	-	(722,168)
TOTAL REVENUES	\$ 5,302,255	\$5,065,464	\$ (236,791)

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL GOVERNMENT SERVICES</u>			
Legislative:			
Board of County Commissioners:			
Personal Services	\$ 138,720	\$ 135,163	\$ 3,557
Operating Expenses	373,638	109,969	263,669
Capital Outlay	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Legislative	<u>514,858</u>	<u>245,132</u>	<u>269,726</u>
Financial and Administrative:			
Property Appraiser:			
Personal Services	247,720	222,434	25,286
Operating Expenses	97,959	80,483	17,476
Capital Outlay	<u>14,000</u>	<u>13,631</u>	<u>369</u>
Total Property Appraiser	<u>359,679</u>	<u>316,548</u>	<u>43,131</u>
Tax Collector:			
Personal Services	256,308	256,308	-
Operating Expenses	108,034	52,044	55,990
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Tax Collector	<u>364,342</u>	<u>308,352</u>	<u>55,990</u>
Grants Development:			
Personal Services	23,091	19,846	3,245
Operating Expenses	19,760	17,431	2,329
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Grants Development	<u>42,851</u>	<u>37,277</u>	<u>5,574</u>
Finance:			
Operating Expenses	<u>50,000</u>	<u>45,057</u>	<u>4,943</u>
Total Financial and Administrative	<u>816,872</u>	<u>707,234</u>	<u>109,638</u>

The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Legal Counsel:			
County Attorney:			
Operating Expenses	81,337	38,995	42,342
Total Legal Counsel	<u>81,337</u>	<u>38,995</u>	<u>42,342</u>
Comprehensive Planning:			
County Development:			
Industrial Development	45,000	45,043	(43)
County Planning:			
Personal Services	66,407	60,061	6,346
Operating Expenses	25,695	39,768	(14,073)
Capital Outlay	1,500	-	1,500
Total County Planning	<u>93,602</u>	<u>99,829</u>	<u>(6,227)</u>
Total Comprehensive Planning	<u>138,602</u>	<u>144,872</u>	<u>(6,270)</u>
Judicial:			
Clerk of the Circuit Court:			
Personal Services	90,544	114,031	(23,487)
Operating Expenses	54,390	42,757	11,633
Capital Outlay	85,739	73,349	12,390
Total Clerk of the Circuit Court	<u>230,673</u>	<u>230,137</u>	<u>536</u>
Circuit Court:			
Operating Expenses	131,110	115,947	15,163
Capital Outlay	5,000	595	4,405
Total Circuit Court	<u>136,110</u>	<u>116,542</u>	<u>19,568</u>

**The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002**

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
County Court:			
Operating Expenses	4,350	4,757	(407)
Capital Outlay	-	-	-
Total County Court	<u>4,350</u>	<u>4,757</u>	<u>(407)</u>
State Attorney:			
Operating Expenses	18,500	18,502	(2)
Capital Outlay	-	-	-
Total State Attorney	<u>18,500</u>	<u>18,502</u>	<u>(2)</u>
Public Defender:			
Operating Expenses	12,050	10,221	1,829
Total Public Defender	<u>12,050</u>	<u>10,221</u>	<u>1,829</u>
Court Reporters:			
Operating Expenses	24,839	24,434	405
Total Court Reporters	<u>24,839</u>	<u>24,434</u>	<u>405</u>
Total Judicial	<u>426,522</u>	<u>404,593</u>	<u>21,929</u>
Other General Governmental Services:			
Supervisor of Elections:			
Personal Services	105,363	100,845	4,518
Operating Expenses	109,767	81,552	28,215
Capital Outlay	48,750	103,047	(54,297)
Total Supervisor of Elections	<u>263,880</u>	<u>285,444</u>	<u>(21,564)</u>
Other Maintenance Services:			
Courthouse and Annexes:			
Personal Services	20,938	19,588	1,350
Operating Expenses	79,700	60,297	19,403
Capital Outlay	24,500	15,600	8,900
Total Other Maintenance Services	<u>125,138</u>	<u>95,485</u>	<u>29,653</u>

The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Total Other General Governmental Services	389,018	380,929	8,089
TOTAL GENERAL GOVERNMENT SERVICES	<u>2,367,209</u>	<u>1,921,755</u>	<u>445,454</u>
<u>PUBLIC SAFETY</u>			
Fire Control:			
Operating Expenses	11,300	11,279	21
Total Fire Control	<u>11,300</u>	<u>11,279</u>	<u>21</u>
Detentions and/or Corrections:			
Operating Expenses	327,050	222,184	104,866
Capital Outlay	5,000	-	5,000
Total Detentions and/or Corrections	<u>332,050</u>	<u>222,184</u>	<u>109,866</u>
Protective Inspections:			
Building Inspection:			
Personal Services	76,224	79,015	(2,791)
Operating Expenses	25,166	24,085	1,081
Capital Outlay	-	-	-
Total Building Inspection	<u>101,390</u>	<u>103,100</u>	<u>(1,710)</u>
Construction Industry Licensing:			
Personal Services	5,292	5,703	(411)
Operating Expenses	457	767	(310)
Capital Outlay	-	-	-
Total Construction Industry Licensing	<u>5,749</u>	<u>6,470</u>	<u>(721)</u>
Total Protective Inspection	<u>107,139</u>	<u>109,570</u>	<u>(2,431)</u>

The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Emergency and Disaster Relief Services:			
Emergency Management:			
Personal Services	77,070	59,894	17,176
Operating Expenses	54,957	58,752	(3,795)
Capital Outlay	21,000	33,787	(12,787)
Total Emergency and Disaster Relief Services	<u>153,027</u>	<u>152,433</u>	<u>594</u>
Ambulance and Rescue Services:			
Personal Services	331,867	362,751	(30,884)
Operating Expenses	208,977	366,991	(158,014)
Capital Outlay	110,000	46,819	63,181
Total Ambulance and Rescue Services	<u>650,844</u>	<u>776,561</u>	<u>(125,717)</u>
Medical Examiner:			
Operating Expenses	40,000	29,692	10,308
TOTAL PUBLIC SAFETY	<u>1,294,360</u>	<u>1,301,719</u>	<u>(7,359)</u>
<u>PHYSICAL ENVIRONMENT</u>			
Garbage/Solid Waste Disposal:			
Refuse:			
Personal Services	198,604	372,546	(173,942)
Operating Expenses	73,499	49,699	23,800
Capital Outlay	-	-	-
Total Garbage/Solid Waste Disposal	<u>272,103</u>	<u>422,245</u>	<u>(150,142)</u>
Conservation and Resource Management:			
Soil Conservation:			
Operating Expenses	2,150	1,772	378
Total Soil Conservation	<u>2,150</u>	<u>1,772</u>	<u>378</u>

The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Agriculture and Home Economics Agent:			
Personal Services	108,036	93,080	14,956
Operating Expenses	47,084	49,887	(2,803)
Capital Outlay	15,500	20,040	(4,540)
Total Agriculture and Home Economics Agent	<u>170,620</u>	<u>163,007</u>	<u>7,613</u>
Total Conservation and Resource Management	<u>172,770</u>	<u>164,779</u>	<u>7,991</u>
TOTAL PHYSICAL ENVIRONMENT	<u>444,873</u>	<u>587,024</u>	<u>(142,151)</u>
<u>ECONOMIC ENVIRONMENT</u>			
Veterans Affairs:			
Operating Expenses	3,010	2,282	728
TOTAL ECONOMIC ENVIRONMENT	<u>3,010</u>	<u>2,282</u>	<u>728</u>
<u>HUMAN SERVICES</u>			
Health:			
Health Department:			
Operating Expenses	14,139	13,783	356
Indigent Health Care:			
Operating Expenses	231,609	176,527	55,082
Total Health	<u>245,748</u>	<u>190,310</u>	<u>55,438</u>
Mental Health:			
Grants and Aids	15,000	15,000	-
TOTAL HUMAN SERVICES	<u>260,748</u>	<u>205,310</u>	<u>55,438</u>

The County of Jefferson, Florida
Board of County Commissioners
General Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>CULTURE/RECREATION</u>			
Libraries:			
Personal Services	128,987	122,297	6,690
Operating Expenses	28,972	35,803	(6,831)
Capital Outlay	48,661	96,626	(47,965)
Total Libraries	<u>206,620</u>	<u>254,726</u>	<u>(48,106)</u>
Parks and Recreation:			
Personal Services	41,870	39,442	2,428
Operating Expenses	14,850	11,079	3,771
Capital Outlay	50,500	1,885	48,615
Total Parks and Recreation	<u>107,220</u>	<u>52,406</u>	<u>54,814</u>
TOTAL CULTURE/RECREATION	<u>313,840</u>	<u>307,132</u>	<u>6,708</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to Fine & Forfeiture Fund	-	-	-
Transfer to Solid Waste Trust Fund	-	-	-
Total Interfund Transfers	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 4,684,040</u>	<u>\$ 4,325,222</u>	<u>\$ 358,818</u>

The County of Jefferson, Florida
Board of County Commissioners
Capital Projects Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Grants:			
NRCS grant	\$ 175,000	\$ 175,000	\$ -
<u>MISCELLANEOUS REVENUE</u>			
Interest and other	60,000	60,128	128
<u>NON-REVENUE</u>			
Interfund transfers:			
Transfer from Debt Service Fund	2,673,972	-	(2,673,972)
TOTAL REVENUES	<u>\$ 2,908,972</u>	<u>\$ 235,128</u>	<u>\$ (2,673,844)</u>

The County of Jefferson, Florida
Board of County Commissioners
Capital Projects Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TRANSPORTATION</u>			
Road Construction	\$ 50,000	\$ 11,090	\$ 38,910
<u>CULTURE AND RECREATION</u>			
Federal Grant: NRCS grant	185,000	179,659	5,341
TOTAL EXPENDITURES	\$ 235,000	\$190,749	\$ 44,251

The County of Jefferson, Florida
Board of County Commissioners
Fine and Forfeiture Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Ad Valorem Taxes	\$ 654,931	\$ 631,178	\$ (23,753)
TOTAL TAXES	<u>654,931</u>	<u>631,178</u>	<u>(23,753)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Grants from Other Governments:			
Public Safety	<u>132,213</u>	<u>144,445</u>	<u>12,232</u>
TOTAL INTERGOVERNMENTAL REVENUE	<u>132,213</u>	<u>144,445</u>	<u>12,232</u>
<u>CHARGES FOR SERVICES</u>			
General Government:			
Sheriff's Fees	<u>10,000</u>	<u>13,530</u>	<u>3,530</u>
TOTAL CHARGES FOR SERVICES	<u>10,000</u>	<u>13,530</u>	<u>3,530</u>
<u>FINES AND COSTS</u>			
Court Cases:			
County Fines	300,000	455,136	155,136
Court Education Trust Fund	10,000	16,479	6,479
Communication Trust Fund	<u>30,000</u>	<u>93,637</u>	<u>63,637</u>
TOTAL FINES AND COSTS	<u>340,000</u>	<u>565,252</u>	<u>225,252</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest and other	<u>-</u>	<u>44,602</u>	<u>44,602</u>
TOTAL MISCELLANEOUS REVENUE	<u>-</u>	<u>44,602</u>	<u>44,602</u>
TOTAL REVENUES	<u>\$ 1,137,144</u>	<u>\$1,399,007</u>	<u>\$ 261,863</u>

The County of Jefferson, Florida
Board of County Commissioners
Fine and Forfeiture Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PUBLIC SAFETY</u>			
Law Enforcement:			
Sheriff:			
Personal Services	\$ 1,692,939	\$1,519,117	\$ 173,822
Operating Expenses	709,989	638,402	71,587
Capital Outlay	<u>80,000</u>	<u>194,236</u>	<u>(114,236)</u>
TOTAL PUBLIC SAFETY	<u>2,482,928</u>	<u>2,351,755</u>	<u>131,173</u>
NON-EXPENDITURE DISBURSEMENTS			
Interfund Transfers:			
Transfer to General Fund	<u>246,011</u>	<u>-</u>	<u>246,011</u>
TOTAL EXPENDITURES	<u>\$ 2,728,939</u>	<u>\$2,351,755</u>	<u>\$ 377,184</u>

The County of Jefferson, Florida
Board of County Commissioners
Grants Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Grants:			
Economic Environment:			
HUD	\$1,111,042	\$ 699,749	\$ (411,293)
Other Economic Environment	84,124	74,988	(9,136)
Total Federal Grants	1,195,166	774,737	(420,429)
State Grants:			
Economic Environment:			
State Housing Initiatives Partnership	350,000	377,194	27,194
Total State Grants	350,000	377,194	27,194
TOTAL INTERGOVERNMENTAL REVENUES	1,545,166	1,151,931	(393,235)
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings and Other	-	2,903	2,903
TOTAL REVENUES	\$1,545,166	\$ 1,154,834	\$ (390,332)

The County of Jefferson, Florida
Board of County Commissioners
Grants Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>ECONOMIC ENVIRONMENT</u>			
Employment Opportunity and Development:			
Housing and Urban Development			
Personal Services	\$ 155,413	\$ 102,410	\$ 53,003
Operating	951,985	613,007	338,978
Total Housing and Urban Development	1,107,398	715,417	391,981
Other Economic Development:			
Personal Services	64,351	73,974	(9,623)
Operating Expenses	369,773	248,441	121,332
Total Other Economic Development	434,124	322,415	111,709
TOTAL EXPENDITURES	\$ 1,541,522	\$1,037,832	\$ 503,690

**The County of Jefferson, Florida
Board of County Commissioners
County Transportation Trust Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Local Option Gasoline Tax	\$ 887,379	\$ 884,183	\$ (3,196)
<u>INTERGOVERNMENTAL REVENUE</u>			
State Grants:			
Small Counties Road Assistance	-	206,616	206,616
Federal Shared Revenue:			
Federal Emergency Management	-	514,689	514,689
State Shared Revenue:			
General Government:			
Racing Tax Funds	111,625	111,625	-
Tranportation:			
Motor Fuel Tax	17,500	25,439	7,939
Gasoline Tax Pour Over Trust	297,434	290,109	(7,325)
Gasoline Tax - 5th and 6th cent	373,148	377,687	4,539
Total Transportation	688,082	693,235	5,153
TOTAL INTERGOVERNMENTAL REVENUE	799,707	1,526,165	726,458
<u>MISCELLANEOUS REVENUE</u>			
Pipe Installation Fees	19,000	10,444	(8,556)
Interest Earnings	-	18,493	18,493
Other Miscellaneous Revenue	9,100	10,648	1,548
TOTAL MISCELLANEOUS REVENUE	28,100	39,585	11,485
<u>NON-REVENUES</u>			
Interfund Transfers:			
Transfer from Sales Tax Fund	17,220	-	-
Transfer from Debt Service Fund	42,199	-	-
TOTAL NON-REVENUES	59,419	-	-
TOTAL REVENUES	\$ 1,774,605	\$ 2,449,933	\$ 675,328

The County of Jefferson, Florida
Board of County Commissioners
County Transportation Trust Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TRANSPORTATION</u>			
Road and Street Facilities:			
Roads and Bridges:			
Personal Services	\$ 922,835	\$ 948,357	\$ (25,522)
Operating Expenses	829,830	1,138,412	(308,582)
Capital Outlay	<u>230,000</u>	<u>170,885</u>	<u>59,115</u>
 TOTAL EXPENDITURES	 <u>\$ 1,982,665</u>	 <u>\$ 2,257,654</u>	 <u>\$ (274,989)</u>

The County of Jefferson, Florida
Board of County Commissioners
Fire District Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>MISCELLANEOUS REVENUE</u>			
Fire Assessment	\$330,358	\$321,384	\$ (8,974)
Interest Earnings	-	1,940	1,940
Miscellaneous	-	<u>1,955</u>	<u>1,955</u>
TOTAL REVENUES	<u>\$330,358</u>	<u>\$325,279</u>	<u>\$ (5,079)</u>

The County of Jefferson, Florida
Board of County Commissioners
Fire District Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PUBLIC SAFETY</u>			
Fire Control:			
Personal Services	\$ 260,798	\$ 210,586	\$ 50,212
Operating Expenses	47,560	41,874	5,686
Capital Outlay	<u>22,000</u>	<u>19,190</u>	<u>2,810</u>
TOTAL EXPENDITURES	<u>\$ 330,358</u>	<u>\$ 271,650</u>	<u>\$ 58,708</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, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Local Option Sales Tax	<u>\$438,813</u>	<u>\$463,183</u>	<u>\$ 24,370</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>3,018</u>	<u>3,018</u>
TOTAL REVENUES	<u>\$438,813</u>	<u>\$466,201</u>	<u>\$ 27,388</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, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to Debt Service Fund	\$ 263,850	\$ 263,850	\$ -
Transfer to County Transportation Trust Fund	17,220	-	17,220
TOTAL EXPENDITURES	\$ 281,070	\$ 263,850	\$ 17,220

The County of Jefferson, Florida
Board of County Commissioners
Local Government Criminal Justice Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>FINES AND COSTS</u>			
Court Fines	\$ 20,000	\$ 29,938	\$ 9,938
<u>NON-REVENUE</u>			
Interfund Transfer:			
Transfer from Debt Service Fund	<u>30,223</u>	<u>-</u>	<u>(30,223)</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>216</u>	<u>216</u>
TOTAL REVENUES	<u>\$ 50,223</u>	<u>\$ 30,154</u>	<u>\$ (20,069)</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, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>NON-EXPENDITURES DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to General Fund	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The County of Jefferson, Florida
Board of County Commissioners
Solid Waste Trust Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>INTERGOVERNMENTAL REVENUE</u>			
State Grants:			
Physical Environment	\$ 176,465	\$ 175,732	\$ (733)
<u>MISCELLANEOUS REVENUE</u>			
Solid Waste Special Assessment	716,912	717,776	864
Interest Earnings	-	7,547	7,547
Other	-	25,010	25,010
TOTAL MISCELLANEOUS REVENUES	716,912	750,333	33,421
<u>NON-REVENUE</u>			
Transfer from General Fund	-	-	-
TOTAL REVENUES	\$ 893,377	\$ 926,065	\$ 32,688

The County of Jefferson, Florida
Board of County Commissioners
Solid Waste Trust Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PHYSICAL ENVIRONMENT</u>			
Garbage/Solid Waste Disposal:			
Landfill/Refuse:			
Personal Services	\$ 209,874	\$ 150,381	\$ 59,493
Operating Expenses	852,665	1,023,251	(170,586)
Capital Outlay	<u>80,000</u>	<u>83,359</u>	<u>(3,359)</u>
TOTAL EXPENDITURES	<u>\$ 1,142,539</u>	<u>\$ 1,256,991</u>	<u>\$ (114,452)</u>

The County of Jefferson, Florida
Board of County Commissioners
911 Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
State Grants:			
Public Safety	\$ -	\$ 128,000	\$ 128,000
<u>CHARGES FOR SERVICES</u>			
Public Safety			
Emergency Service Fees	<u>30,000</u>	<u>83,547</u>	<u>53,547</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>1,509</u>	<u>1,509</u>
TOTAL REVENUES	<u>\$ 30,000</u>	<u>\$ 213,056</u>	<u>\$ 183,056</u>

The County of Jefferson, Florida
Board of County Commissioners
911 Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PUBLIC SAFETY</u>			
Emergency and Disaster Relief Services:			
Emergency Communications			
System Operating Expenses	\$ 174,705	\$ 98,927	\$ 75,778
TOTAL EXPENDITURES	\$ 174,705	\$ 98,927	\$ 75,778

The County of Jefferson, Florida
Board of County Commissioners
Debt Service Fund
STATEMENT OF REVENUES - BUDGETED AND ACTUAL
Year ended September 30, 2002

	<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>\$290,235</u>	<u>\$265,888</u>	<u>\$ (24,347)</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>8,657</u>	<u>8,657</u>
<u>NON-REVENUE</u>			
Interfund transfer:			
Transfer from Sales Tax Fund	<u>263,850</u>	<u>263,850</u>	<u>-</u>
TOTAL REVENUES	<u>\$554,085</u>	<u>\$538,395</u>	<u>\$ (15,690)</u>

The County of Jefferson, Florida
Board of County Commissioners
Debt Service Fund
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS
Year ended September 30, 2002

	<u>APPROPRIATIONS</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>DEBT SERVICE</u>			
Principal Retirement	\$ 140,385	\$279,000	\$ (138,615)
Interest	149,850	287,972	(138,122)
Other expenses	-	219	(219)
TOTAL DEBT SERVICE	<u>290,235</u>	<u>567,191</u>	<u>(276,956)</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to General Fund	476,157	-	476,157
Transfer to County Transportation Trust Fund	42,199	-	42,199
Transfer to Capital Projects Fund	2,673,972	-	2,673,972
Transfer to Local Government Criminal Justice Fund	30,223	-	30,223
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>3,222,551</u>	<u>-</u>	<u>3,222,551</u>
TOTAL EXPENDITURES	<u>\$ 3,512,786</u>	<u>\$567,191</u>	<u>\$ 2,945,595</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 D. POWELL, C.P.A.

BETTS, ROGERS, SCHENCK & JONES
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION
February 10, 2003

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

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, 2002, and have issued our report thereon dated February 10, 2003.

We have issued our Independent Auditor's Reports On Internal Control and On Compliance With Laws and Regulations both dated February 10, 2003. 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, 2002, 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, 2002.

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, 2002.

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.

Betta Rogers, Scheuch & Jones

The County of Jefferson, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2002

<u>Federal Grantor/Pass-through Grantor</u>	<u>Program Title</u>	<u>Federal/State CFDA/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Receipts*</u>	<u>Expenditures</u>
<u>U.S. DEPARTMENT OF HUD</u>					
<u>Direct Programs:</u>					
	Section 8	14.195	N/A	\$ 612,732	\$ 573,081
<u>Passed through State:</u>					
Department of Community Affairs	Community Development Block Grant	14.228	00DB-6B-02-43-01-H01	45,309	45,309
	Community Development Block Grant	14.228	01DB-79-02-43-01-D08	41,158	41,158
TOTAL U.S. DEPARTMENT OF HUD				<u>\$ 699,199</u>	<u>\$ 659,548</u>
 <u>U.S. DEPARTMENT OF ENERGY</u>					
<u>Passed through State:</u>					
Department of Community Affairs	Weatherization Assistance for Low- Income Persons	81.042	01-WX-69-02-43-01-012	\$ 17,124	\$ 17,124
	Weatherization Assistance for Low- Income Persons	81.042	02-WX-1B-02-43-01-012	23,418	23,418
	Weatherization Assistance for Low- Income Persons	81.042	02-AL-1B-02-43-01-012	200	200
TOTAL U.S. DEPARTMENT OF ENERGY				<u>\$ 40,742</u>	<u>\$ 40,742</u>
 <u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<u>Passed through State:</u>					
Department of Health	Food Distribution	10.568	6532	\$ 5,000	\$ 5,000
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>\$ 5,000</u>	<u>\$ 5,000</u>

The County of Jefferson, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2002

<u>Federal Grantor/Pass-through Grantor</u>	<u>Program Title</u>	<u>Federal/State CFDA/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Receipts*</u>	<u>Expenditures</u>
<u>U.S. ADMINISTRATION FOR CHILDRENS AND FAMILIES</u>					
<u>Passed through State:</u>					
Department of Community Affairs	Low-Income Home Energy	93.568	02-LE-35-02-43-01-012	\$ 6,287	\$ 6,287
	Low-Income Home Energy	93.568	02-LH-90-02-43-01-012	14,697	14,697
	Low-Income Home Energy	93.568	01-LH-62-02-43-01-012	<u>5,968</u>	<u>5,968</u>
TOTAL U.S. ADMINISTRATION FOR CHILDREN AND FAMILIES				<u>\$ 26,952</u>	<u>\$ 26,952</u>
<u>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY</u>					
<u>Passed through State:</u>					
Department of Community Affairs	Emergency Management Assistance	83.534	02-CP-04-02-43-01-033	\$ 126,390	\$ 126,390
	Public Assistance Grants	83.544	02-RM-27-02-43-01-009	<u>514,689</u>	<u>514,689</u>
TOTAL U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY				<u>\$ 641,079</u>	<u>\$ 641,079</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>					
<u>Passed through State:</u>					
Department of Law Enforcement	Byrne Formula Grant	16.579	02-CJ-2H-02-43-01-106	\$ 103,062	\$ 103,062
Department of Community Affairs	Local Law Enforcement Block Grant	16.592	2001-LB-BX-2664	<u>19,064</u>	<u>19,064</u>
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>\$ 122,126</u>	<u>\$ 122,126</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>					
<u>Passed through State:</u>					
Department of Transportation	Speed Awareness Grant	20.600	SC-02-13-08	<u>\$ 14,750</u>	<u>\$ 14,750</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>\$ 14,750</u>	<u>\$ 14,750</u>
TOTAL FEDERAL ASSISTANCE				<u>\$ 1,549,848</u>	<u>\$ 1,510,197</u>

The County of Jefferson, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2002

<u>Federal Grantor/Pass-through Grantor</u>	<u>Program Title</u>	<u>Federal/State CFDA/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Receipts*</u>	<u>Expenditures</u>
<u>STATE ASSISTANCE:</u>					
<u>Florida Department of Environmental Protection</u>					
	Recycling and Education Grant	37.011	RE02-17	\$ 59,519	\$ 59,519
	Waste Tire Grant	37.015	WT02-19	14,523	14,523
	Small Counties Grant	37.012	SC02-19	50,000	50,000
	Litter Control and Prevention Grant	37.009	LC02-17	12,603	12,603
	Cooperative Collection Center Grant	37.007	S010	<u>14,950</u>	<u>14,950</u>
Total Florida Department of Environmental Protection				<u>\$ 151,595</u>	<u>\$ 151,595</u>
<u>Florida Department of State</u>					
	State Aid to Libraries	45.030	02-ST-76	\$ 108,868	\$ 108,868
	State Voting System Assistance	45.029	CS/SB 1118	<u>48,750</u>	<u>48,750</u>
Total Florida Department of State				<u>\$ 157,618</u>	<u>\$ 157,618</u>
<u>Florida Department of Community Affairs</u>					
	State Housing Initiatives Partnership	52.901	SHIP	\$ 350,000	\$ 223,021
Total Florida Department of Community Affairs				<u>\$ 350,000</u>	<u>\$ 223,021</u>
<u>Florida Department of Management Services</u>					
	Wireless 911 Rural County Grant Program	72.001	N/A	\$ 128,000	\$ 128,000
Total Florida Department of Management Services				<u>\$ 128,000</u>	<u>\$ 128,000</u>

The County of Jefferson, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2002

<u>Federal Grantor/Pass-through Grantor</u>	<u>Program Title</u>	<u>Federal/State CFDA/CSFA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Receipts*</u>	<u>Expenditures</u>
<u>Florida Department of Transportation</u>					
	Small County Road Asst. Prog.	55.016	AJ950	\$ 206,616	\$ 206,616
Total Florida Department of Transportation				<u>\$ 206,616</u>	<u>\$ 206,616</u>
<u>Florida Department of Health</u>					
	Emergency Medical Services	64.003	R1005	\$ 45,000	\$ 45,000
	Emergency Medical Services	64.003	R1017	9,000	9,000
	Emergency Medical Services	64.005	C1033	<u>24,674</u>	<u>24,674</u>
Total Florida Department of Health				<u>\$ 78,674</u>	<u>\$ 78,674</u>
<u>Florida Department of Agriculture</u>					
	Mosquito Control	42.003	N/A	\$ 24,137	\$ 24,137
Total Florida Department of Agriculture				<u>\$ 24,137</u>	<u>\$ 24,137</u>
TOTAL STATE ASSISTANCE				<u>\$ 1,096,640</u>	<u>\$ 969,661</u>
TOTAL FEDERAL AND STATE ASSISTANCE				<u>\$ 2,646,488</u>	<u>\$ 2,479,858</u>

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

**JEFFERSON COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR END SEPTEMBER 30, 2002**

No findings were noted in the 2001 audit.

BEN F. BETTS, JR., C.P.A.
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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 10, 2003

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

To the Honorable 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, 2002, and have issued our report thereon dated February 10, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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.

Pette, Regen, Schuch & Jones

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February 10, 2003

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

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

Compliance

We have audited the compliance of the Board of County Commissioners of Jefferson County, Florida, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended September 30, 2002. The Board of County Commissioners of Jefferson County, Florida's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major and state federal programs is the responsibility of the Board of County Commissioners. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the provisions of the Public and Indian Housing Compliance Supplement dated May 29, 1996 and Chapter 10.550, Rules of the Auditor General. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Board of County Commissioners of Jefferson County, Florida's compliance with those requirements.

In our opinion, the Board of County Commissioners of Jefferson County, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended September 30, 2002.

Internal Control over Compliance

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

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

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

Bette, Ragan, Schuck & Jones

JEFFERSON COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2002

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

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

Noncompliance material to financial statements noted? No

Federal and State Awards

Type of auditor’s report issued: Unqualified

Internal Control over major programs:

Material weakness(es) identified? No

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

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

Identification of major Federal programs:

CFDA Number/Program 14.195/Section 8
83.544/Public Assistance Grants

Identification of major State programs:

CSFA Number/Program 52.901/State Housing Initiatives Partnership
55.016/Small County Road Asst. Program
72.001/Wireless 911 Rural County Grant

JEFFERSON COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended September 30, 2002

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

Dollar threshold used to distinguish between Type A and Type B Federal programs:	\$300,000
Dollar threshold used to distinguish between Type A and Type B State programs:	\$290,898
Auditee qualified as low-risk auditee?	No

Schedule II – Financial Statement Findings

None reported

Schedule III – Federal Award Findings and Questioned Costs

None reported

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

THE COUNTY OF JEFFERSON, FLORIDA

CLERK OF THE CIRCUIT COURT

SEPTEMBER 30, 2002

BEN F. BETTS, JR., C.P.A.
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January 19, 2003

INDEPENDENT AUDITOR'S REPORT

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

We have audited the combined balance sheet of the Clerk of the Circuit Court of Jefferson County, Florida as of September 30, 2002 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, 2002, and the results of operations of the general fund and the recorded cash transactions of the agency funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2003 on our consideration of the Clerk of the Circuit Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



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

COMBINED BALANCE SHEET

September 30, 2002

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ -	\$ 251,159	\$ 251,159
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 251,159</u>	<u>\$ 251,159</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other governments	\$ -	\$ 160,771	\$ 160,771
Deposits held in escrow	<u>-</u>	<u>90,388</u>	<u>90,388</u>
Total liabilities	-	251,159	251,159
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 251,159</u>	<u>\$ 251,159</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, 2002

	<u>SUSPENSE ACCOUNT</u>	<u>COURT REGISTRY</u>	<u>TAX REDEMPTION</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
 ASSETS				
Cash	\$ 199,514	\$ 33,011	\$ 18,634	\$ 251,159
Total assets	<u>\$ 199,514</u>	<u>\$ 33,011</u>	<u>\$ 18,634</u>	<u>\$ 251,159</u>
 LIABILITIES				
Liabilities				
Due to other government	\$ 160,771	\$ -	\$ -	\$ 160,771
Deposits held in escrow	<u>38,743</u>	<u>33,011</u>	<u>18,634</u>	<u>90,388</u>
Total liabilities	<u>\$ 199,514</u>	<u>\$ 33,011</u>	<u>\$ 18,634</u>	<u>\$ 251,159</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, 2002

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$ 227,878	\$ 227,878	\$ -
Clerk's fees and other	299,464	347,803	48,339
Total revenues	527,342	575,681	48,339
Expenditures			
Salary of official	82,841	81,672	1,169
Other salaries and benefits	304,372	263,154	41,218
Operating expenses	54,390	42,757	11,633
Capital outlay	85,739	73,349	12,390
Total expenditures	527,342	460,932	65,241
Excess of revenues over expenditures	\$ -	114,749	\$ 113,580
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		-	
Fund balance - end of year		\$ 114,749	

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, 2002

AGENCY FUNDS

	SUSPENSE ACCOUNT	COURT REGISTRY	TAX REDEMPTION	TOTALS (MEMORANDUM ONLY)
Receipts				
Collection of fines	\$ 473,034	\$ -	\$ -	\$ 473,034
Documentary and surtax stamps	460,889	-	-	460,889
Fees for services	273,410	-	-	273,410
Intangible taxes	111,191	-	-	111,191
Individual and child support	1,352,781	-	-	1,352,781
Deposits received	850,320	182,430	25,132	1,057,882
Interest earned	-	258	-	258
Total receipts	<u>3,521,625</u>	<u>182,688</u>	<u>25,132</u>	<u>3,729,445</u>
Disbursements				
Disbursements of fines	431,975	-	-	431,975
Documentary and surtax stamps	460,889	-	-	460,889
Disbursements of fees	249,904	-	-	249,904
Disbursement of intangible taxes	111,191	-	-	111,191
Individual and child support	1,352,781	-	-	1,352,781
Deposits distributed	883,886	170,857	24,942	1,079,685
Total disbursements	<u>3,490,626</u>	<u>170,857</u>	<u>24,942</u>	<u>3,686,425</u>
Excess of receipts over (under) disbursements	30,999	11,831	190	43,020
Beginning cash balances	168,515	21,180	18,444	208,139
Ending cash balances	<u>\$ 199,514</u>	<u>\$ 33,011</u>	<u>\$ 18,634</u>	<u>\$ 251,159</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, 2002

NOTE 1 - REPORTING ENTITY

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

The accounts of the Jefferson County Clerk of the Circuit Court are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Clerk's funds are as follows:

The County of Jefferson, Florida
Clerk of the Circuit Court

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Concluded)

■ **Governmental Fund:**

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

■ **Fiduciary Funds:**

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

Measurement Focus

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

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

Basis of Accounting

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

The County of Jefferson, Florida
Clerk of the Circuit Court

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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

September 30, 2002

NOTE 3 - CASH

Cash Deposits

At September 30, 2002, the carrying amount of the Jefferson County Clerk's deposits was \$252,159 and the bank balance was \$404,537. Deposits in banks and thrift institutions are collateralized as public funds through a state procedure provided for in Chapter 280, Florida Statutes. Financial institutions qualifying as public depositories are required to pledge eligible collateral calculated according to formulas established by Chapter 280. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All of the cash deposits of the Jefferson County Clerk of the Circuit Court were placed with the State Board of Administration and local banks under banking services agreements and are classified as category one credit risk, which means they are insured or collateralized.

NOTE 4 - EMPLOYEE BENEFITS

Pension Plan

In accordance with Florida law, the Jefferson County Clerk of the Circuit Court participates in the Florida Retirement System (the System), which presently covers all qualified Jefferson County Clerk's employees. This System was created by the Florida Legislature and is administered by the State of Florida, Department of Administration, Division of Retirement and is a cost-sharing, multi-employer defined benefit public retirement plan available to governmental units within the State of Florida. The payroll for the Jefferson County Clerk's employees covered by the System was \$294,766. The total payroll for the year ended September 30, 2002 was \$294,766.

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

The County of Jefferson, Florida
Clerk of the Circuit Court

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2002

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 Clerk of the Circuit Court, are required to contribute 5.76% of the compensation for regular members and 11.86% for elected officials. During the years ended September 30, 2002, 2001, and 2000, the Jefferson County Clerk of the Circuit Court contributed \$26,273, \$31,504 and \$33,944, 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, 2001.

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

THE COUNTY OF JEFFERSON, FLORIDA

CLERK OF THE CIRCUIT COURT

SEPTEMBER 30, 2002

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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PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

January 19, 2003

MANAGEMENT LETTER

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

We have audited the financial statements of the Jefferson County, Florida Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 2002, and have issued our report thereon dated January 19, 2003.

We have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated January 19, 2003. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

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

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

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

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

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

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

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

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida Clerk of the Circuit Court, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for the Jefferson County, Florida Clerk of the Circuit Court, for the fiscal year ended September 30, 2002, 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, 2002. 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.

BEN F. BETTS, JR., C.P.A.
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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

January 19, 2003

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

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

We have audited the financial statements of the Clerk of the Circuit Court of Jefferson County, Florida as of and for the year ended September 30, 2002, and have issued our report thereon dated January 19, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

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

Betts, Ragon, Schuck & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

THE COUNTY OF JEFFERSON, FLORIDA

SUPERVISOR OF ELECTIONS

SEPTEMBER 30, 2002

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

November 20, 2002

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

INDEPENDENT AUDITOR'S REPORT

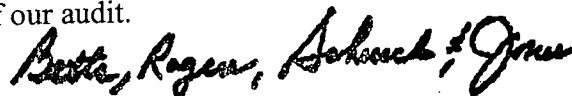
The Board of County Commissioners
and The Honorable Marty Bishop,
Supervisor of Elections
The County of Jefferson, Florida

We have audited the combined balance sheet of The County of Jefferson, Florida Supervisor of Elections, as of September 30, 2002 and the related statement of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balance of the agency fund for the year then ended. These financial statements are the responsibility of The County of Jefferson, Florida Supervisor of Elections. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of The County of Jefferson, Florida Supervisor of Elections, as of September 30, 2002, 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 November 20, 2002 on our consideration of The County of Jefferson, Florida Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



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

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

Year ended September 30, 2002

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$213,730	\$213,730	\$ -
Interest earned	-	677	677
Voter Education grant	-	5,547	5,547
Total revenues	213,730	219,954	6,224
Expenditures			
Salary of official	66,063	65,096	967
Other salaries and benefits	39,300	35,749	3,551
Operating expenses	108,367	86,550	21,817
Capital outlay	-	-	-
Total expenditures	213,730	187,395	26,335
Excess of revenues over expenditures	\$ -	32,559	\$ 32,559
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		(32,559)	
Fund balance - end of year		\$ -	

The County of Jefferson, Florida
Supervisor of Elections

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

September 30, 2002

	<u>AGENCY FUND</u>
Receipts	
Candidate qualifying fees	<u>\$ 3,027</u>
Total receipts	3,027
Disbursements	<u> 3,027</u>
Excess of receipts over (under) disbursements	-
Beginning cash balances	<u> -</u>
Ending cash balances	<u><u>\$ -</u></u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

NOTE 1 - REPORTING ENTITY

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

The accounts of the Jefferson County Supervisor of Elections are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Supervisor's funds are as follows:

The County of Jefferson, Florida
Supervisor of Elections

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2002

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, 2002

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, 2002

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, 2002, the carrying amount of the Jefferson County Supervisor's deposits was \$32,559 and the bank balance was \$50,865. 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 \$83,696. The total payroll for the year ended September 30, 2002 was \$85,679.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2002

NOTE 4 - EMPLOYEE BENEFITS (continued)

Pension Plan (Continued)

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

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Jefferson County Supervisor of Elections, are required to contribute 5.76% of the compensation for regular members and 11.86% for elected officials. During the years ended September 30, 2002, 2001 and 2000, the Jefferson County Supervisor of Elections contributed \$10,595, \$12,052 and \$12,814, 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, 2002

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

November 20, 2002

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, 2002, and have issued our report thereon dated November 20, 2002.

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 20, 2002. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

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

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

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

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

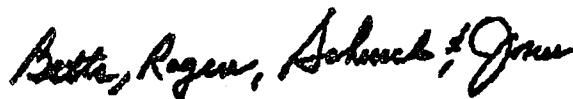
The Rules of the Auditor General (Section 10.554 (1)(g)3.) require that we make recommendations to improve the Jefferson County, Florida, Supervisor of Elections' financial management, accounting procedures, and internal control. Based on our audit, we have no recommendations for improving the financial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

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

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

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida, Supervisor of Elections, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for the Jefferson County, Florida, Supervisor of Elections, for the fiscal year ended September 30, 2002, 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, 2002. As part of our audit, we applied the financial condition assessment procedures pursuant to Rule 10.556(8) and noted no deteriorating financial conditions.

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



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FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

November 20, 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 Marty Bishop
Supervisor of Elections
Jefferson County, Florida

We have audited the financial statements of The Jefferson County, Florida Supervisor of Elections as of and for the year ended September 30, 2002, and have issued our report thereon dated November 20, 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 Jefferson County, Florida Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

This report is intended for the information of the 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.

Betts, Regen, Schuch & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

PROPERTY APPRAISER

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2002

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
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October 23, 2002

INDEPENDENT AUDITOR'S REPORT

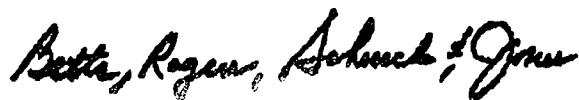
To the Board of County Commissioners
and the Honorable David W. Ward
Property Appraiser
The County of Jefferson, Florida

We have audited the combined balance sheet of the The County of Jefferson, Florida Property Appraiser as of September 30, 2002, 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, 2002, 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 October 23, 2002 on our consideration of The County of Jefferson, Florida Property Appraiser's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



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

COMBINED BALANCE SHEET

September 30, 2002

	<u>GENERAL FUND</u>	<u>AGENCY FUND (NOTE 2)</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**

September 30, 2002

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$349,304	\$349,304	\$ -
Interest earned	-	440	440
Other miscellaneous	-	264	264
Total revenues	349,304	350,008	704
Expenditures			
Salary of official	81,672	81,672	-
Other salaries and benefits	166,048	140,762	25,286
Operating expenses	87,584	75,797	11,787
Capital outlay	14,000	13,631	369
Total expenditures	349,304	311,862	37,442
Excess of revenues over expenditures	\$ -	38,146	\$ 38,146
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		38,146	
Fund balance - end of year		\$ -	

The County of Jefferson, Florida
Property Appraiser

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

September 30, 2002

	<u>AGENCY FUND</u>
Receipts	
Aerial print and map sales	\$ 2,145
Real property tag fees	27
Water Management District Commissions	<u>3,512</u>
Total receipts	5,684
 Disbursements	
Board of County Commissioners	<u>5,684</u>
Excess of receipts over (under) disbursements	-
Beginning cash balance	<u>-</u>
Ending cash balance	<u><u>\$ -</u></u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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, 2002

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, 2002

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, 2002

NOTE 3 - CASH

Cash Deposits

At September 30, 2002, the carrying amount of the Jefferson County Property Appraiser's deposits was \$0 and the bank balance was \$48,829. 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 \$187,667. The total payroll for the year ended September 30, 2002 was \$187,667.

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, 2002

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 5.76% of the compensation for regular members and 11.86% for elected officials. During the years ended September 30, 2002, 2001, and 2000, the Jefferson County Property Appraiser contributed \$20,418, \$23,449 and \$24,390, respectively. These contributions represented 100% of the Property Appraiser's required contributions.

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

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

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

September 30, 2002

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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PRACTICE SECTION OF THE
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FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

October 23, 2002

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, 2002, and have issued our report thereon dated October 23, 2002.

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 October 23, 2002. 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 recommend the Jefferson County, Florida Property Appraiser implement the use of a prenumbered cash receipts book when collecting money from the sale of aerial prints and maps, etc.

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

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

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida Property Appraiser, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for the Jefferson County, Florida Property Appraiser, for the fiscal year ended September 30, 2002, 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, 2002. As part of our audit, we applied the financial condition assessment procedures pursuant to Rule 10.556(8) and noted no deteriorating financial conditions.

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

Bette, Regen, Schuch & Jones

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BETTS, ROGERS, SCHENCK & JONES

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October 23, 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 David W. Ward
Property Appraiser
Jefferson County, Florida

We have audited the financial statements of The Jefferson County, Florida Property Appraiser as of and for the year ended September 30, 2002, and have issued our report thereon dated October 23, 2002. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

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

Bette, Rogan, Schuch, & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

TAX COLLECTOR

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 2002

BEN F. BETTS, JR., C.P.A.
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November 11, 2002

INDEPENDENT AUDITOR'S REPORT

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

We have audited the combined balance sheet of The County of Jefferson, Florida Tax Collector, as of September 30, 2002, and the related statements of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balances of the agency funds for the year then ended. These financial statements are the responsibility of The County of Jefferson, Florida Tax Collector. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The County of Jefferson, Florida Tax Collector, as of September 30, 2002, 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 November 11, 2002 on our consideration of The County of Jefferson, Florida Tax Collector's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



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

COMBINED BALANCE SHEET

September 30, 2002

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ 54,495	\$ 315,862	\$ 370,357
Due from Individuals	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 54,495</u>	<u>\$ 315,862</u>	<u>\$ 370,357</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other agencies	\$ 54,495	\$ 315,862	\$ 370,357
Deposits held in escrow	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	54,495	315,862	370,357
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 54,495</u>	<u>\$ 315,862</u>	<u>\$ 370,357</u>

The County of Jefferson, Florida
Tax Collector

COMING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 2002

	<u>TAX ACCOUNT</u>	<u>TAG ACCOUNT</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ <u>136,433</u>	\$ <u>179,429</u>	\$ <u>315,862</u>
Total assets	\$ <u>136,433</u>	\$ <u>179,429</u>	\$ <u>315,862</u>
LIABILITIES			
Liabilities			
Due to other agencies	\$ <u>136,433</u>	\$ <u>179,429</u>	\$ <u>315,862</u>
Total liabilities	\$ <u>136,433</u>	\$ <u>179,429</u>	\$ <u>315,862</u>

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

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

Year ended September 30, 2002

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$362,782	\$362,388	\$ (394)
Fees and other	-	26,863	26,863
Total revenues	362,782	389,251	26,469
Expenditures			
Personal services	256,308	256,308	-
Operating expenses	106,474	78,448	28,026
Capital outlay	-	-	-
Total expenditures	362,782	334,756	28,026
Excess of revenues over expenditures	\$ -	54,495	\$ 54,495
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		54,495	
Fund balance - end of year		\$ -	

The County of Jefferson, Florida
Tax Collector

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

September 30, 2002

	AGENCY FUNDS		
	TAX ACCOUNT	TAG ACCOUNT	TOTALS (MEMORANDUM ONLY)
Receipts			
Real and personal property taxes	\$ 7,548,135	\$ -	\$ 7,548,135
Special assessments	5,340	-	5,340
Tax certificates redeemed	553,897	-	553,897
Other	11,321	9,828	21,149
Motor vehicle tags and titles	-	5,975,922	5,975,922
Sales tax	-	2,715,917	2,715,917
Hunting and fishing licenses	-	53,604	53,604
Driver licenses	-	62,600	62,600
Interest	-	230	230
Fees	-	374,396	374,396
	<u>8,118,693</u>	<u>9,192,497</u>	<u>17,311,190</u>
Disbursements			
Disbursement of real and personal property taxes	7,518,895	-	7,518,895
State of Florida	-	8,816,999	8,816,999
Proceeds - tax certificates redeemed	487,647	-	487,647
Other	29,477	64	29,541
Fees reverting to Board of County Commissioners	-	351,746	351,746
	<u>8,036,019</u>	<u>9,168,809</u>	<u>17,204,828</u>
Excess of receipts over (under) disbursements	82,674	23,688	106,362
Beginning cash balances	<u>53,759</u>	<u>155,741</u>	<u>209,500</u>
Ending cash balances	<u>\$ 136,433</u>	<u>\$ 179,429</u>	<u>\$ 315,862</u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

NOTE 1 - REPORTING ENTITY

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

The accounts of the Jefferson County Tax Collector are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Jefferson County Tax Collector's funds are as follows:

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2002

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, 2002

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, 2002

NOTE 3 - CASH

Cash Deposits

At September 30, 2002 the carrying amount of the Jefferson County Tax Collector's deposits was \$370,357 and the bank balance was \$396,735. 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 \$205,022. The total payroll for the year ended September 30, 2002 was \$208,651.

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, 2002

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 5.76% of the compensation for regular members and 11.86% for elected officials. During the years ended September 30, 2002, 2001, and 2000, the Jefferson County Tax Collector contributed \$20,595, \$23,555 and \$22,413, 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**

THE COUNTY OF JEFFERSON, FLORIDA

TAX COLLECTOR

SEPTEMBER 30, 2002

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

November 11, 2002

MANAGEMENT LETTER

Honorable Lois H. Hunter
Tax Collector
Jefferson County, Florida

We have audited the financial statements of The County of Jefferson, Florida Tax Collector, as of and for the fiscal year ended September 30, 2002, and have issued our report thereon dated November 11, 2002.

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 11, 2002. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

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

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

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

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

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

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

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

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that The County of Jefferson, Florida Tax Collector, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for the Jefferson County, Florida, Tax Collector, for the fiscal year ended September 30, 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, in agreement with the annual financial audit report for the fiscal year ended September 30, 2002.

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

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

Bette, Roger, Deborah, & Jane

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

November 11, 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 Lois H. Hunter
Tax Collector
Jefferson County, Florida

We have audited the financial statements of The County of Jefferson, Florida Tax Collector as of and for the year ended September 30, 2002, and have issued our report thereon dated November 11, 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 County of Jefferson, Florida Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Beth, Roger, Schuch, & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

**THE COUNTY OF JEFFERSON, FLORIDA
SHERIFF**

SEPTEMBER 30, 2002

BEN F. BETTS, JR., C.P.A.
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November 21, 2002

INDEPENDENT AUDITOR'S REPORT

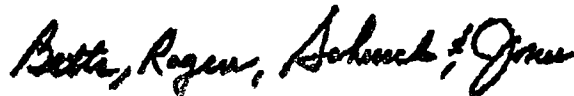
The Board of County Commissioners
and the Honorable Kenneth W.
Fortune, Sheriff
The County of Jefferson, Florida

We have audited the combined balance sheet of The County of Jefferson, Florida Sheriff, as of September 30, 2002, and the related combining balance sheet, statements of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balances of the agency funds for the year then ended. These financial statements are the responsibility of The County of Jefferson, Florida Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The County of Jefferson, Florida Sheriff, as of September 30, 2002, 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, 2002 on our consideration of The County of Jefferson, Florida Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



The County of Jefferson, Florida
 Sheriff

COMBINED BALANCE SHEET

September 30, 2002

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS				
Cash	\$ 48,278	\$ 122,822	\$ -	\$ 171,100
Transportation equipment	-	-	807,344	807,344
Furniture and other equipment	-	-	637,185	637,185
Total assets	<u>\$ 48,278</u>	<u>\$ 122,822</u>	<u>\$ 1,444,529</u>	<u>\$ 1,615,629</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Deposits held in escrow	\$ -	\$ 122,822	\$ -	\$ 122,822
Due to other agencies	<u>48,278</u>	<u>-</u>	<u>-</u>	<u>48,278</u>
Total liabilities	48,278	122,822	-	171,100
Fund balances				
Investment in general fixed	<u>-</u>	<u>-</u>	<u>1,444,529</u>	<u>1,444,529</u>
Total liabilities and fund balances	<u>\$ 48,278</u>	<u>\$ 122,822</u>	<u>\$ 1,444,529</u>	<u>\$ 1,615,629</u>

The County of Jefferson, Florida
 Sheriff

COMING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 2002

	<u>INDIVIDUAL DEPOSITORS</u>	<u>CASH APPEARANCE BOND</u>	<u>PRISONERS WELFARE</u>	<u>COMMISSARY</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS					
Cash	\$ 160	\$ 14,369	\$ 105,032	\$ 3,261	\$ 122,822
Total assets	<u>\$ 160</u>	<u>\$ 14,369</u>	<u>\$ 105,032</u>	<u>\$ 3,261</u>	<u>\$ 122,822</u>
LIABILITIES					
Liabilities					
Deposits held in escrow	\$ 160	\$ 14,369	\$ 105,032	\$ 3,261	\$ 122,822
Total liabilities	<u>\$ 160</u>	<u>\$ 14,369</u>	<u>\$ 105,032</u>	<u>\$ 3,261</u>	<u>\$ 122,822</u>

**The County of Jefferson, Florida
Sheriff**

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

Year ended September 30, 2002

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$2,300,000	\$2,300,000	\$ -
Interest earned	-	7,530	7,530
Total revenues	2,300,000	2,307,530	7,530
Expenditures			
Personal services	1,938,950	1,519,117	419,833
Operating expenses	281,050	430,980	(149,930)
Capital outlay	80,000	194,236	(114,236)
Total expenditures	2,300,000	2,144,333	155,667
Excess of revenues over expenditures	\$ -	163,197	\$ 163,197
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		(163,197)	
Fund balance - end of year		\$ -	

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida
Sheriff**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

September 30, 2002

AGENCY FUNDS

	INDIVIDUAL DEPOSITORS	CASH APPEARANCE BOND	PRISONERS WELFARE	COMMISSARY	TOTALS (MEMORANDUM ONLY)
Receipts					
Deposits received	\$ 12,330	\$ -	\$ 38,335	\$ 47,400	\$ 98,065
Cash appearance bonds	-	65,614	-	-	65,614
Interest	-	-	1,010	-	1,010
- Total receipts	<u>12,330</u>	<u>65,614</u>	<u>39,345</u>	<u>47,400</u>	<u>164,689</u>
Disbursements					
Disbursed to:					
Board of County Commissioners	10,530	-	-	17,461	27,991
Clerk of the Circuit Court	-	23,694	-	-	23,694
Others	1,660	202,057	36,443	26,678	266,838
Total disbursements	<u>12,190</u>	<u>225,751</u>	<u>36,443</u>	<u>44,139</u>	<u>318,523</u>
Excess of receipts over (under) disbursements	140	(160,137)	2,902	3,261	(153,834)
Beginning cash balances	<u>20</u>	<u>174,506</u>	<u>102,130</u>	<u>-</u>	<u>276,656</u>
Ending cash balances	<u>\$ 160</u>	<u>\$ 14,369</u>	<u>\$ 105,032</u>	<u>\$ 3,261</u>	<u>\$ 122,822</u>

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS

September 30, 2002

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

Fund Accounting

The accounts of the Jefferson County Sheriff are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The purposes of the Jefferson County Sheriff's funds are as follows:

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

■ **Governmental Fund:**

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

■ **Fiduciary Funds:**

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

Measurement Focus

- **Governmental Fund Type** - The general fund is accounted for on a "spending" or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Accordingly, the reported undesignated fund balances (net current assets) are considered a measure of available, spendable or appropriable resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.
- **Fiduciary Fund Types** - The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

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

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2002

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, 2002

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, 2002, the carrying amount of the Jefferson County Sheriff's deposits was \$170,940 and the bank balance was \$602,075. 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 \$1,246,421. The total payroll for the year ended September 30, 2002 was \$1,246,421.

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2002

NOTE 4 - EMPLOYEE BENEFITS (Continued)

All eligible employees of the Jefferson County Sheriff participate in the System. The System provides vesting of benefits after six years of creditable service. Regular class and Elected Officers' class members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) six years of service and age 62; or 3) the age after 62 the member becomes vested. 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 5.76% of the compensation for regular members, 16.01% for high risk employees, and 11.86% for elected officials. During the year ended September 30, 2002, 2001, and 2000 the Jefferson County Sheriff contributed \$178,519, \$172,704, and \$206,463, respectively to the System for covered employees. These contributions represented 100% of the Sheriff'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.

NOTE 5 - GENERAL FIXED ASSETS

All items of property and equipment are recorded at cost. Accounting principles generally accepted in the United States of America 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, 2002

NOTE 5 - GENERAL FIXED ASSETS (Continued)

	Balance, 9/30/01	Additions	Deletions	Balance, 9/30/02
Transportation Equipment	\$ 620,490	\$ 267,602	\$ 80,748	\$ 807,344
Furniture and other equipment	<u>582,822</u>	<u>57,117</u>	<u>2,754</u>	<u>637,185</u>
Totals	\$1,203,312	\$ 324,719	\$ 83,502	\$ 1,444,529

Grant funds used to purchase equipment during the current year were \$19,127.

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

**THE COUNTY OF JEFFERSON, FLORIDA
SHERIFF**

SEPTEMBER 30, 2002

BEN F. BETTS, JR., C.P.A.
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November 21, 2002

MANAGEMENT LETTER

Honorable Kenneth W. Fortune
Sheriff
Jefferson County, Florida

We have audited the financial statements of The County of Jefferson, Florida Sheriff, as of and for the fiscal year ended September 30, 2002, and have issued our report thereon dated November 21, 2002.

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, 2002. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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

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

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

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

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

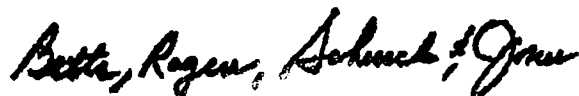
The Rules of the Auditor General (Section 10.554 (1)(g)3.) require that we make recommendations to improve The County of Jefferson, Florida Sheriff's financial management, accounting procedures, and internal control. Based on our audit, we have no recommendations for improving the financial management,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

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

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

As required by the Rules of the Auditor General (Section 10.554 (1)(g)6a., 6b., 6c.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that The County of Jefferson, Florida Sheriff, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes; the financial information for The County of Jefferson, Florida Sheriff, for the fiscal year ended September 30, 2002, 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, 2002. As part of our audit, we applied the financial condition assessment procedures pursuant to Rule 10.556(8) and noted no deteriorating financial conditions.

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



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
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November 21, 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**

Honorable Kenneth W. Fortune
Sheriff
Jefferson County, Florida

We have audited the financial statements of The County of Jefferson, Florida Sheriff as of and for the year ended September 30, 2002, and have issued our report thereon dated November 21, 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 County of Jefferson, Florida Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Bette, Regen, Schuch, Jones