

**THE COUNTY OF JEFFERSON, FLORIDA**  
**COMBINED FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**SEPTEMBER 30, 1998**

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

February 15, 1999

**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, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based upon our audit.

We conducted our audit in accordance with 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. 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, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 1999, 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.

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.

*Betts, Rogers, Schenck & Jones*

**The County of Jefferson, Florida**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**September 30, 1998**

**GOVERNMENTAL FUND TYPES**

<b>ASSETS</b>	<u><b>GENERAL</b></u>	<u><b>SPECIAL REVENUE</b></u>	<u><b>CAPITAL PROJECTS</b></u>	<u><b>DEBT SERVICE</b></u>
Cash	\$ 496,000	\$ 809,714	\$ 1,731,055	\$ -
Investments (Note B)	575,019	384,949	-	275,223
Accounts receivable (Note C)	241,242	-	-	-
Accrued interest receivable	2,921	1,893	10,729	-
Due from other governments	542,187	192,970	-	-
Due from other agencies	-	251,750	-	-
Due from other funds (Note I)	-	1,015,941	-	680
Inventory of supplies (Note D)	-	177,553	-	-
Fixed assets (Note K)	-	-	-	-
Amounts to be provided	-	-	-	-
	<u>\$1,857,369</u>	<u>\$2,834,770</u>	<u>\$1,741,784</u>	<u>\$275,903</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities				
Notes payable (Note E)	\$ -	\$ -	-	\$ -
Installment purchase obligations (Note E)	-	-	-	-
Accounts payable	61,723	138,052	147,422	-
Due to other governments	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds (Note I)	121,672	445,659	449,290	-
Deposits held in escrow	4,840	-	-	-
Revenues collected in advance	-	98,348	-	-
Contingencies (Note F)	-	-	-	-
	<u>188,235</u>	<u>682,059</u>	<u>596,712</u>	<u>-</u>
Fund equity				
Investment in general fixed assets	-	-	-	-
General fixed assets acquired by gift	-	-	-	-
Fund balances				
Reserved (Note M)	-	357,343	1,145,072	275,903
Unreserved - Undesignated	1,669,134	1,795,368	-	-
Total fund equity	<u>1,669,134</u>	<u>2,152,711</u>	<u>1,145,072</u>	<u>275,903</u>
Total liabilities and fund equity	<u>\$1,857,369</u>	<u>\$2,834,770</u>	<u>\$1,741,784</u>	<u>\$275,903</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, 1998**

	<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUP</u>		<u>TOTAL (Note G) (MEMORANDUM ONLY)</u>
		<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>	
	<u>AGENCY</u>			
<b>ASSETS</b>				
Cash	\$195,998	\$ -	\$ -	\$ 3,232,767
Investments (Note B)	-	-	-	1,235,191
Accounts receivable (Note C)	1,549	-	-	242,791
Accrued interest receivable	-	-	-	15,543
Due from other governments	-	-	-	735,157
Due from other agencies	-	-	-	251,750
Due from other funds (Note I)	-	-	-	1,016,621
Inventory of supplies (Note D)	-	-	-	177,553
Fixed assets (Note K)	-	12,474,190	-	12,474,190
Amounts to be provided	-	-	3,982,553	3,982,553
Total assets	<u>\$197,547</u>	<u>\$12,474,190</u>	<u>\$3,982,553</u>	<u>\$23,364,116</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Note payable (Note E)	\$ -	\$ -	\$3,805,240	\$ 3,805,240
Installment purchase obligations (Note E)	-	-	177,313	177,313
Accounts payable	-	-	-	347,197
Due to other governments	63,200	-	-	63,200
Due to other agencies	64,994	-	-	64,994
Due to other funds (Note I)	-	-	-	1,016,621
Deposits held in escrow	69,353	-	-	74,193
Revenues collected in advance	-	-	-	98,348
Contingencies (Note F)	-	-	-	-
Total liabilities	<u>197,547</u>	<u>-</u>	<u>3,982,553</u>	<u>5,647,106</u>
<b>Fund equity</b>				
Investment in general fixed assets	-	11,105,833	-	11,105,833
General fixed assets acquired by gift	-	1,368,357	-	1,368,357
<b>Fund balances</b>				
Reserved (Note M)	-	-	-	1,778,318
Unreserved - Undesignated	-	-	-	3,464,502
Total fund equity	<u>-</u>	<u>12,474,190</u>	<u>-</u>	<u>17,717,010</u>
Total liabilities and fund equity	<u>\$197,547</u>	<u>\$12,474,190</u>	<u>\$3,982,553</u>	<u>\$23,364,116</u>

The County of Jefferson, Florida

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

Year ended September 30, 1998

	<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	\$1,290,229	\$2,753,067	\$ -	\$301,054	\$ 4,344,350
Taxes	1,857,795	1,641,839	-	-	3,499,634
Fines and costs	-	260,765	-	-	260,765
Charges for services	779,612	51,010	-	-	830,622
Licenses and permits	178,739	-	-	-	178,739
Miscellaneous revenues	314,945	907,767	119,248	9,161	1,351,121
Total revenues	<u>4,421,320</u>	<u>5,614,448</u>	<u>119,248</u>	<u>310,215</u>	<u>10,465,231</u>
Expenditures					
General government	1,398,091	-	-	-	1,398,091
Public safety	1,107,847	1,853,251	-	-	2,961,098
Transportation	-	1,291,218	3,262,431	-	4,553,649
Physical environment	281,840	866,569	-	-	1,148,409
Economic environment	1,604	1,590,853	-	-	1,592,457
Human services	132,921	-	-	-	132,921
Culture and recreation	206,174	-	-	-	206,174
Debt service	18,574	145,619	-	944,835	1,109,028
Total expenditures	<u>3,147,051</u>	<u>5,747,510</u>	<u>3,262,431</u>	<u>944,835</u>	<u>13,101,827</u>
Excess of revenues over (under) expenditures	1,274,269	(133,062)	(3,143,183)	(634,620)	(2,636,596)
Other financing sources (uses)					
Operating transfers in	-	1,275,492	-	236,189	1,511,681
Operating transfers (out)	(733,986)	(777,695)	-	-	(1,511,681)
Debt proceeds	-	-	3,004,065	417,000	3,421,065
Excess of revenues and other financing sources over (under) expenditures and other uses	540,283	364,735	(139,118)	18,569	784,469
Fund balances - beginning of year	<u>1,128,851</u>	<u>1,787,976</u>	<u>1,284,190</u>	<u>257,334</u>	<u>4,458,351</u>
Fund balances - end of year	<u>\$1,669,134</u>	<u>\$2,152,711</u>	<u>\$1,145,072</u>	<u>\$275,903</u>	<u>\$ 5,242,820</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, 1998

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$1,065,184	\$1,290,229	\$ 225,045	\$2,622,083	\$2,753,067	\$ 130,984
Taxes	1,926,047	1,857,795	(68,252)	1,717,321	1,641,839	(75,482)
Fines and costs	-	-	-	245,000	260,765	15,765
Charges for services	439,772	779,612	339,840	30,000	51,010	21,010
Licenses and permits	165,300	178,739	13,439	-	-	-
Miscellaneous revenues	8,200	314,945	306,745	858,948	907,767	48,819
Total revenues	<u>3,604,503</u>	<u>4,421,320</u>	<u>816,817</u>	<u>5,473,352</u>	<u>5,614,448</u>	<u>141,096</u>
Expenditures						
General government	1,687,506	1,405,051	282,455	-	-	-
Public safety	937,676	1,119,461	(181,785)	2,133,475	1,853,251	280,224
Transportation	-	-	-	1,423,682	1,388,736	34,946
Physical environment	273,515	281,840	(8,325)	1,476,918	914,670	562,248
Economic environment	1,676	1,604	72	1,723,666	1,590,853	132,813
Human services	207,150	132,921	74,229	-	-	-
Culture and recreation	203,212	206,174	(2,962)	-	-	-
Total expenditures	<u>3,310,735</u>	<u>3,147,051</u>	<u>163,684</u>	<u>6,757,741</u>	<u>5,747,510</u>	<u>1,010,231</u>
Excess of revenues over (under) expenditures	293,768	1,274,269	980,501	(1,284,389)	(133,062)	1,151,327
Other financing sources (uses)						
Budgeted transfers in	27,984	-	(27,984)	1,275,492	1,275,492	-
Budgeted transfers (out)	(733,986)	(733,986)	-	(805,679)	(777,695)	27,984
Debt proceeds	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(412,234)	540,283	952,517	(814,576)	364,735	1,179,311
Fund balances - beginning of year	<u>1,128,851</u>	<u>1,128,851</u>	<u>-</u>	<u>1,787,976</u>	<u>1,787,976</u>	<u>-</u>
Fund balances - end of year	<u>\$ 716,617</u>	<u>\$1,669,134</u>	<u>\$952,517</u>	<u>\$ 973,400</u>	<u>\$2,152,711</u>	<u>\$1,179,311</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, 1998

	CAPITAL PROJECTS			DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 317,450	\$ 301,054	\$(16,396)
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	<u>119,248</u>	<u>119,248</u>	<u>-</u>	<u>-</u>	<u>9,161</u>	<u>9,161</u>
Total revenues	<u>119,248</u>	<u>119,248</u>	<u>-</u>	<u>317,450</u>	<u>310,215</u>	<u>(7,235)</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	3,262,431	3,262,431	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>944,995</u>	<u>944,835</u>	<u>160</u>
Total expenditures	<u>3,262,431</u>	<u>3,262,431</u>	<u>-</u>	<u>944,995</u>	<u>944,835</u>	<u>160</u>
Excess of revenues over (under) expenditures	(3,143,183)	(3,143,183)	-	(627,545)	(634,620)	(7,075)
Other financing sources (uses)						
Budgeted transfers in	-	-	-	236,189	236,189	-
Budgeted transfers (out)	-	-	-	-	-	-
Debt proceeds	<u>3,143,183</u>	<u>3,004,065</u>	<u>(139,118)</u>	<u>417,000</u>	<u>417,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	(139,118)	(139,118)	25,644	18,569	(7,075)
Fund balances - beginning of year	<u>1,284,190</u>	<u>1,284,190</u>	<u>-</u>	<u>257,334</u>	<u>257,334</u>	<u>-</u>
Fund balances - end of year	<u>\$1,284,190</u>	<u>\$1,145,072</u>	<u>\$ 139,118</u>	<u>\$ 282,978</u>	<u>\$ 275,903</u>	<u>\$ (7,075)</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, 1998**

	<b>TOTALS (MEMORANDUM ONLY)</b>		
	<b>(NOTE G)</b>		
	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Revenues			
Intergovernmental revenues	\$ 4,004,717	\$ 4,344,350	\$ 339,633
Taxes	3,643,368	3,499,634	(143,734)
Fines and costs	245,000	260,765	15,765
Charges for services	469,772	830,622	360,850
Licenses and permits	165,300	178,739	13,439
Miscellaneous revenues	<u>986,396</u>	<u>1,351,121</u>	<u>364,725</u>
Total revenues	<u>9,514,553</u>	<u>10,465,231</u>	<u>950,678</u>
Expenditures			
General government	1,687,506	1,405,051	282,455
Public safety	3,071,151	2,972,712	98,439
Transportation	4,686,113	4,651,167	34,946
Physical environment	1,750,433	1,196,510	553,923
Economic environment	1,725,342	1,592,457	132,885
Human services	207,150	132,921	74,229
Culture and recreation	203,212	206,174	(2,962)
Debt service	<u>944,995</u>	<u>944,835</u>	<u>160</u>
Total expenditures	<u>14,275,902</u>	<u>13,101,827</u>	<u>1,174,075</u>
Excess of revenues over (under) expenditures	(4,761,349)	(2,636,596)	2,124,753
Other financing sources (uses)			
Budgeted transfers in	1,539,665	1,511,681	(27,984)
Budgeted transfers (out)	(1,539,665)	(1,511,681)	27,984
Bond proceeds	<u>3,560,183</u>	<u>3,421,065</u>	<u>(139,118)</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	(1,201,166)	784,469	1,985,635

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

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

Year ended September 30, 1998

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Fund balances - beginning of year	<u>4,458,351</u>	<u>4,458,351</u>	<u>-</u>
Fund balances - end of year	<u>\$3,257,185</u>	<u>\$5,242,820</u>	<u>\$1,985,635</u>

The accompanying notes are an integral part of this statement.



**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**September 30, 1998**

**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 1997 millage rate assessed by the County was 9.5 mills.

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

**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

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

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

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

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

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

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

**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

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

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

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

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

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

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

**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

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

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

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

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

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

**NOTE B - CASH AND INVESTMENTS**

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

Chapter 280 of the Florida Statutes, provides that qualified public depositories must maintain eligible collateral having a market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in

**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE B - CASH AND INVESTMENTS - CONTINUED**

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 carrying amount of cash deposits was \$3,232,767 and the bank balances were \$4,665,945 at September 30, 1998. 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, 1998 and no further allowance is considered necessary. Bad debt expense for the year was \$78,100.

**NOTE D - INVENTORY OF SUPPLIES**

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

**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**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 5.29% to 6.8% per annum. These obligations require monthly and annual installments of various amounts and expire at various dates through October, 1999.

The County entered into an unsecured, demand note for \$385,000 with a local bank on February 8, 1994. The principal is payable on demand. Interest is payable semi-annually in August and February on the outstanding principal balance at a rate of 2% over the six month Treasury Bill rate (6.94% at September 30, 1998). Principal balance was \$370,000 on September 30, 1998.

The County entered into a \$4,074,000 Public Improvement Revenue Bond Anticipation Note on May 15, 1998. The County has drawn \$3,421,065 on the note through September 30, 1998. Farmers & Merchants Bank of Monticello, Florida is the registered owner of the note. Interest is payable at 4.69% on November 1, 1998 and May 1, 1999. The principal is due on May 1, 1999. This note was issued to provide interim financing for the construction of a criminal justice facility under the authority of and in full compliance with the Constitution and the laws of the State of Florida, particularly Chapter 125, Florida Statutes, Section 215.431 Florida Statutes, and a resolution duly adopted by the County on May 7, 1998. This note and the interest thereon are payable solely from and secured by a pledge of and lien upon the first proceeds to be derived from the issuance and sale of the County's Public Improvement Revenue Bonds, Series 1999, and if such amounts are insufficient or unavailable, from the Pledged Funds as defined in the Resolution.

The County entered into an installment loan agreement with a local bank on December 14, 1995 borrowing \$43,528 secured by equipment. The note is payable \$829 per month, including interest at 5.3% per annum, maturing December 14, 2000. Principal balance was \$14,175 on September 30, 1998.

The changes in general long-term debt for the year ended September 30, 1998 follows:

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

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

	<u>Balance</u> <u>10/1/97</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/98</u>
Installment purchase obligations	\$ 312,237	\$ -	\$134,924	\$ 177,313
Notes payable	<u>979,122</u>	<u>3,421,065</u>	<u>594,947</u>	<u>3,805,240</u>
	<u>\$1,291,359</u>	<u>\$3,421,065</u>	<u>\$729,871</u>	<u>\$3,982,553</u>

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

Year ending September 30:

1999	\$3,943,626
2000	38,927
Thereafter	<u>-</u>
	<u>\$3,982,553</u>

NOTE F - CONTINGENCIES

The County is involved in two civil rights complaints filed against it. These actions will result in either no liability or immaterial monetary liability 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 - CONTINUED**

**September 30, 1998**

**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 10 years of service. Generally, members are eligible for normal retirement benefits at age 62 with 10 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 10 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 above. Benefits include post-retirement payments for health-care insurance, cost-of-living supplements and, for certain retirees, a supplement to cover social security benefits lost by virtue of retirement system membership. Members are eligible for in-line-of-duty disability benefits from their first day of employment and for regular (not in-line-of-duty) disability benefits after 10 years of service. Disability benefit payments are calculated in the same manner as retirement benefits, except that disability benefits are not less than 42 percent of the member's average final compensation for disability incurred in the line of duty and not less than 25 percent of average final compensation for regular disability. Survivors of members who die in the line of duty are entitled to a monthly benefit equal to one-half the member's monthly salary at death. Survivors of members whose death is other than in the line of duty may elect to either receive benefits as if the member had retired on the date of death and had opted to provide survivor benefits or defer benefits to a later date and receive payments as if the member had retired at that later date.



The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

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, 1998 the contribution rates were as follows:

	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	0.00	16.45%
Florida Retirement System, County Elected Officers	0.00	27.93%

The County's 1997-98 fiscal year payroll for all employees totaled \$3,055,775, including \$3,023,268 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in fiscal year ended September 30, 1998, 1997 and 1996 totaled \$641,215, \$626,388 and \$643,477, respectively.

The Governmental Accounting Standards Board has established the actuarial present value of credited projected benefits as the standardized measure that a public employee retirement system such as the Florida Retirement System must use to determine the amount of its total pension benefit obligation. Use of a standardized method by public employee retirement systems enables financial statement readers to: (1) assess the funding status on a going-concern basis; (2) assess progress made in accumulating assets to pay benefits when due; and (3) make comparisons with other systems and other employers. The actuarial-present-value-of-credited- projected-benefits valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee member services performed to date and is adjusted for the effects of projected salary increases.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

NOTE H - RETIREMENT PROGRAM - CONTINUED

The total unfunded pension benefit obligation of the Florida Retirement System as of July 1, 1997, was as follows:

	<u>(In Millions)</u>
Total Pension Benefit Obligation	\$54,263
Less, Net Assets Available for Benefits at Cost (Market \$56,221)	<u>49,531</u>
Unfunded Pension Benefit Obligation	<u>\$ 4,732</u>

The unfunded pension benefit obligation is being amortized by a portion of the required contributions from participating members. The County's liability for the unfunded pension benefit obligation is limited to the payment of the required contribution at the rates established by law on future payrolls of the County.

Measurement of total pension benefit obligation is based on an actuarial valuation as of July 1, 1997, using an assumed return on investments of 8 percent, updated as of July 1, 1997. Net assets available to pay pension benefits are valued as of June 30, 1997.

The County's 1997-98 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 1997-98 fiscal year and as of June 30, 1998, the Florida Retirement System held no securities issued by the County.

**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE I - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - CONTINUED**

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 in fund balance at September 30, 1998.
- 2) Excesses of expenditures over appropriations in individual funds. During the 1997-98 fiscal year, there were no funds with excesses of expenditures over appropriations.
- 3) Individual fund interfund receivable and payable balances. Such balances at September 30, 1998 were:

<b><u>Fund</u></b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
Debt Service Fund	\$ 680	\$ -
Fine and Forfeiture Fund	82,146	-
General Fund	-	121,672
County Transportation Trust Fund	-	443,514
Capital Projects Fund	-	449,290
Grants Fund	-	2,145
Fire District Fund	102,679	-
Local Option Sales Tax Fund	41,824	-
Local Government Criminal Justice Fund	38,382	-
Solid Waste Trust Fund	630,082	-
911 Fund	<u>120,828</u>	<u>-</u>
	<b><u>\$ 1,016,621</u></b>	<b><u>\$1,016,621</u></b>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

**NOTE J - EMPLOYEE VACATION AND SICK LEAVE**

Employees of the County 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, 1998:

	<b>Balance 10/1/97</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9/30/98</b>
Land	\$ 426,523	\$ -	\$ -	\$ 426,523
Buildings	4,206,167	2,946	-	4,209,113
Equipment	5,380,986	252,728	254,666	5,379,048
Construction in progress	-	2,459,506	-	2,459,506
	<u>\$10,013,676</u>	<u>\$2,715,180</u>	<u>\$ 254,666</u>	<u>\$12,474,190</u>

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

**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**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, 1998.

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, 1999	\$140,000
	May 1, 2000	150,000
	May 1, 2001	155,000
	May 1, 2002	165,000
	May 1, 2003	175,000
	May 1, 2004 and thereafter	<u>2,075,000</u>
		<u>\$2,860,000</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

**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	\$177,553
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications Trust Fund	<u>179,790</u>
	<u>\$357,343</u>
Capital Projects Fund - Reserve for road construction	<u>\$1,145,072</u>
Debt Service Fund - Reserve for debt service	<u>\$ 275,903</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 \$2,578,820 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

**The County of Jefferson, Florida**

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE N - CONSTRUCTION COMMITMENTS - CONTINUED**

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 the postclosure costs annually.

**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

The County participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating County is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$3,000,000.

**NOTE P - YEAR 2000 COMPLIANCE**

The County is aware of the year 2000 (Y2K) compliance problems and is in the process of verifying that all its computer systems and related software is compliant. Management is also trying to determine that its major vendors, suppliers and banks are Y2K compliant.

**SUPPLEMENTAL INFORMATION**



The County of Jefferson, Florida

COMBINING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 1998

	<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>
<b>ASSETS</b>						
Cash	\$ 96,813	\$ -	\$ -	\$63,595	\$35,590	\$195,998
Due from other agencies	-	-	-	-	-	-
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,549</u>	<u>-</u>	<u>1,549</u>
Total assets	<u>\$ 96,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$65,144</u>	<u>\$35,590</u>	<u>\$197,547</u>
<b>LIABILITIES</b>						
Due to other governments	\$ 63,200	\$ -	\$ -	\$ -	\$ -	\$ 63,200
Due to other agencies	-	-	-	64,994	-	64,994
Deposits held in escrow	<u>33,613</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>35,590</u>	<u>69,353</u>
Total liabilities	<u>\$ 96,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$65,144</u>	<u>\$35,590</u>	<u>\$197,547</u>

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

Year ended September 30, 1998

	BALANCE OCTOBER 1, <u>1997</u>	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, <u>1998</u>
<u>Clerk of the Circuit Court - Suspense Account</u>				
Assets:				
Cash	\$ 107,370	\$2,239,002	\$2,263,972	\$ 82,400
Accounts receivable	<u>343</u>	<u>-</u>	<u>343</u>	<u>-</u>
	<u>\$ 107,713</u>	<u>\$2,239,002</u>	<u>\$2,264,315</u>	<u>\$ 82,400</u>
Liabilities:				
Due to other governments	\$ 93,945	\$ 576,462	\$ 607,207	\$ 63,200
Due to other agencies	-	402,847	402,847	-
Deposits held in escrow	<u>13,768</u>	<u>1,259,693</u>	<u>1,254,261</u>	<u>19,200</u>
	<u>\$ 107,713</u>	<u>\$2,239,002</u>	<u>\$2,264,315</u>	<u>\$ 82,400</u>
<u>Clerk of the Circuit Court - Court Registry</u>				
Assets:				
Cash	\$ <u>12,304</u>	\$ <u>299,280</u>	\$ <u>298,650</u>	\$ <u>12,934</u>
Liabilities:				
Deposits held in escrow	\$ <u>12,304</u>	\$ <u>299,280</u>	\$ <u>298,650</u>	\$ <u>12,934</u>
<u>Clerk of the Circuit Court- Tax Redemption Account</u>				
Assets:				
Cash	\$ <u>-</u>	\$ <u>2,291</u>	\$ <u>812</u>	\$ <u>1,479</u>
Liabilities:				
Deposits held in escrow	\$ <u>-</u>	\$ <u>2,291</u>	\$ <u>812</u>	\$ <u>1,479</u>
<u>Supervisor of Elections - Qualifying Account</u>				
Assets:				
Cash	\$ <u>-</u>	\$ <u>4,813</u>	\$ <u>4,813</u>	\$ <u>-</u>
Liabilities:				
Due to other agencies	\$ <u>-</u>	\$ <u>4,813</u>	\$ <u>4,813</u>	\$ <u>-</u>
<u>Property Appraiser - Commission Account</u>				
Assets:				
Cash	\$ <u>96</u>	\$ <u>4,554</u>	\$ <u>4,650</u>	\$ <u>-</u>
Liabilities:				
Due to other agencies	\$ -	\$ 4,554	\$ 4,554	\$ -
Deposits held in escrow	<u>96</u>	<u>-</u>	<u>96</u>	<u>-</u>
	<u>\$ 96</u>	<u>\$ 4,554</u>	<u>\$ 4,650</u>	<u>\$ -</u>

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED

ALL AGENCY FUNDS

Year ended September 30, 1998

	BALANCE OCTOBER 1, 1997	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1998
<u>Tax Collector - Tax Account</u>				
Assets:				
Cash	\$ <u>79,647</u>	\$ <u>6,234,642</u>	\$ <u>6,249,978</u>	\$ <u>64,311</u>
Liabilities:				
Due to other governments	\$ -	\$6,070,480	\$6,070,480	\$ -
Due to other agencies	79,647	141,398	156,734	64,311
Deposits held in escrow	<u>-</u>	<u>22,764</u>	<u>22,764</u>	<u>-</u>
	\$ <u>79,647</u>	\$ <u>6,234,642</u>	\$ <u>6,249,978</u>	\$ <u>64,311</u>
<u>Tax Collector - Tag Account</u>				
Assets:				
Cash	\$ 4,743	\$4,825,863	\$4,831,322	\$ (716)
Accounts receivable	<u>1,986</u>	<u>-</u>	<u>437</u>	<u>1,549</u>
	\$ <u>6,729</u>	\$ <u>4,825,863</u>	\$ <u>4,831,759</u>	\$ <u>833</u>
Liabilities:				
Due to other agencies	\$ 6,579	\$4,807,204	\$4,813,100	\$ 683
Deposits held in escrow	<u>150</u>	<u>18,659</u>	<u>18,659</u>	<u>150</u>
	\$ <u>6,729</u>	\$ <u>4,825,863</u>	\$ <u>4,831,759</u>	\$ <u>833</u>
<u>Sheriff - Individual Depositors Account</u>				
Assets:				
Cash	\$ <u>120</u>	\$ <u>10,171</u>	\$ <u>10,291</u>	\$ <u>-</u>
Liabilities:				
Deposits held in escrow	\$ <u>120</u>	\$ <u>10,171</u>	\$ <u>10,291</u>	\$ <u>-</u>
<u>Sheriff - Appearance Bond Account</u>				
Assets:				
Cash	\$ <u>5,385</u>	\$ <u>219,113</u>	\$ <u>219,848</u>	\$ <u>4,650</u>
Liabilities:				
Deposits held in escrow	\$ <u>5,385</u>	\$ <u>219,113</u>	\$ <u>219,848</u>	\$ <u>4,650</u>

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED

ALL AGENCY FUNDS

Year ended September 30, 1998

	BALANCE OCTOBER 1, 1997	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1998
<u>Sheriff - Prisoners Work Release</u>				
Assets:				
Cash	\$ <u>-</u>	\$ <u>390</u>	\$ <u>390</u>	\$ <u>-</u>
Liabilities:				
Deposits held in escrow	\$ <u>-</u>	\$ <u>390</u>	\$ <u>390</u>	\$ <u>-</u>
<u>Sheriff - Prisoners Welfare</u>				
Assets:				
Cash	\$ <u>19,171</u>	\$ <u>11,928</u>	\$ <u>159</u>	\$ <u>30,940</u>
Liabilities:				
Deposits held in escrow	\$ <u>19,171</u>	\$ <u>11,928</u>	\$ <u>159</u>	\$ <u>30,940</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash	\$228,836	\$13,852,047	\$13,884,885	\$195,998
Accounts receivable	<u>2,329</u>	<u>-</u>	<u>780</u>	<u>1,549</u>
	<u>\$231,165</u>	<u>\$13,852,047</u>	<u>\$13,885,665</u>	<u>\$197,547</u>
Liabilities:				
Due to other governments	\$ 93,945	\$ 6,646,942	\$ 6,677,687	\$ 63,200
Due to other agencies	86,226	5,360,816	5,382,048	64,994
Deposits held in escrow	<u>50,994</u>	<u>1,844,289</u>	<u>1,825,930</u>	<u>69,353</u>
	<u>\$231,165</u>	<u>\$13,852,047</u>	<u>\$13,885,665</u>	<u>\$197,547</u>

**FINANCIAL STATEMENTS AND AUDITOR'S REPORT**

**BOARD OF COUNTY COMMISSIONERS**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

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

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

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

February 15, 1999

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying combined financial statements of the Board of County Commissioners of the County of Jefferson, Florida, as of and for the year ended September 30, 1998, 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 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. 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, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 1999, 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.

Our audit was made for the purpose of forming an opinion on the combined financial statements of the Board of County Commissioners of the County of Jefferson, Florida taken as a whole. The accompanying schedule of federal and state financial assistance, as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the combining and individual fund financial statements listed in the table of contents, as supplemental information, are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

*Betts, Rogers, Schenck & Jones*

The County of Jefferson, Florida  
Board of County Commissioners

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1998

ASSETS	GOVERNMENTAL FUND TYPES				ACCOUNT GROUPS		TOTALS (Note G) (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
Cash	\$ 496,000	\$ 809,714	\$1,731,055	\$ -	\$ -	\$ -	\$ 3,036,769
Investments (Note B)	575,019	384,949	-	275,223	-	-	1,235,191
Accounts receivable (Note C)	241,242	-	-	-	-	-	241,242
Accrued interest receivable	2,921	1,893	10,729	-	-	-	15,543
Due from other governments	542,187	192,970	-	-	-	-	735,157
Due from other agencies	-	251,750	-	-	-	-	251,750
Due from other funds (Note I)	-	1,015,941	-	680	-	-	1,016,621
Inventory of supplies (Note D)	-	177,553	-	-	-	-	177,553
Fixed assets (Note K)	-	-	-	-	11,458,094	-	11,458,094
Amount to be provided	-	-	-	-	-	3,982,553	3,982,553
<b>Total assets</b>	<b>\$ 1,857,369</b>	<b>\$2,834,770</b>	<b>\$1,741,784</b>	<b>\$275,903</b>	<b>\$11,458,094</b>	<b>\$3,982,553</b>	<b>\$22,150,473</b>
<b>LIABILITIES AND FUND EQUITY</b>							
Liabilities							
Notes payable (Note E)	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,805,240	\$ 3,805,240
Installment purchase obligations (Note E)	-	-	-	-	-	177,313	177,313
Accounts payable	61,723	138,052	147,422	-	-	-	347,197
Due to other funds (Note I)	121,672	445,659	449,290	-	-	-	1,016,621
Deposits held in escrow	4,840	-	-	-	-	-	4,840
Revenues collected in advance	-	98,348	-	-	-	-	98,348
Contingencies (Note F)	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>188,235</b>	<b>682,059</b>	<b>596,712</b>	<b>-</b>	<b>-</b>	<b>3,982,553</b>	<b>5,449,559</b>
Fund equity							
Investment in general fixed assets	-	-	-	-	10,089,737	-	10,089,737
General fixed assets acquired by gift	-	-	-	-	1,368,357	-	1,368,357
Fund balances							
Reserved (Note M)	-	357,343	1,145,072	275,903	-	-	1,778,318
Unreserved - Undesignated	1,669,134	1,795,368	-	-	-	-	3,464,502
<b>Total fund equity</b>	<b>1,669,134</b>	<b>2,152,711</b>	<b>1,145,072</b>	<b>275,903</b>	<b>11,458,094</b>	<b>-</b>	<b>16,700,914</b>
<b>Total liabilities and fund equity</b>	<b>\$1,857,369</b>	<b>\$2,834,770</b>	<b>\$1,741,784</b>	<b>\$275,903</b>	<b>\$11,458,094</b>	<b>\$3,982,553</b>	<b>\$22,150,473</b>

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, 1998

	<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	\$1,290,229	\$2,753,067	\$ -	\$301,054	\$ 4,344,350
Taxes	1,857,795	1,641,839	-	-	3,499,634
Fines and costs	-	260,765	-	-	260,765
Charges for services	779,612	51,010	-	-	830,622
Licenses and permits	178,739	-	-	-	178,739
Miscellaneous revenues	<u>314,945</u>	<u>907,767</u>	<u>119,248</u>	<u>9,161</u>	<u>1,351,121</u>
Total revenues	<u>4,421,320</u>	<u>5,614,448</u>	<u>119,248</u>	<u>310,215</u>	<u>10,465,231</u>
Expenditures					
General government	1,398,091	-	-	-	1,398,091
Public safety	1,107,847	1,853,251	-	-	2,961,098
Transportation	-	1,291,218	3,262,431	-	4,553,649
Physical environment	281,840	866,569	-	-	1,148,409
Economic environment	1,604	1,590,853	-	-	1,592,457
Human services	132,921	-	-	-	132,921
Culture and recreation	206,174	-	-	-	206,174
Debt service	<u>18,574</u>	<u>145,619</u>	<u>-</u>	<u>944,835</u>	<u>1,109,028</u>
Total expenditures	<u>3,147,051</u>	<u>5,747,510</u>	<u>3,262,431</u>	<u>944,835</u>	<u>13,101,827</u>
Excess of revenues over (under) expenditures	1,274,269	(133,062)	(3,143,183)	(634,620)	(2,636,596)
Other financing sources (uses)					
Operating transfers in	-	1,275,492	-	236,189	1,511,681
Operating transfers (out)	(733,986)	(777,695)	-	-	(1,511,681)
Debt proceeds	<u>-</u>	<u>-</u>	<u>3,004,065</u>	<u>417,000</u>	<u>3,421,065</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	540,283	364,735	(139,118)	18,569	784,469
Fund balances - beginning of year	<u>1,128,851</u>	<u>1,787,976</u>	<u>1,284,190</u>	<u>257,334</u>	<u>4,458,351</u>
Fund balances - end of year	<u>\$1,669,134</u>	<u>\$2,152,711</u>	<u>\$1,145,072</u>	<u>\$275,903</u>	<u>\$ 5,242,820</u>

The accompanying notes are an integral part of this statement.



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

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

Year ended September 30, 1998

	<u>GENERAL</u>			<u>SPECIAL REVENUE</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues						
Intergovernmental revenues	\$1,065,184	\$1,290,229	\$ 225,045	\$2,622,083	\$2,753,067	\$ 130,984
Taxes	1,926,047	1,857,795	(68,252)	1,717,321	1,641,839	(75,482)
Fines and costs	-	-	-	245,000	260,765	15,765
Charges for services	439,772	779,612	339,840	30,000	51,010	21,010
Licenses and permits	165,300	178,739	13,439	-	-	-
Miscellaneous revenues	8,200	314,945	306,745	858,948	907,767	48,819
Total revenues	<u>3,604,503</u>	<u>4,421,320</u>	<u>816,817</u>	<u>5,473,352</u>	<u>5,614,448</u>	<u>141,096</u>
Expenditures						
General government	1,687,506	1,405,051	282,455	-	-	-
Public safety	937,676	1,119,461	(181,785)	2,133,475	1,853,251	280,224
Transportation	-	-	-	1,423,682	1,388,736	34,946
Physical environment	273,515	281,840	(8,325)	1,476,918	914,670	562,248
Economic environment	1,676	1,604	72	1,723,666	1,590,853	132,813
Human services	207,150	132,921	74,229	-	-	-
Culture and recreation	203,212	206,174	(2,962)	-	-	-
Total expenditures	<u>3,310,735</u>	<u>3,147,051</u>	<u>163,684</u>	<u>6,757,741</u>	<u>5,747,510</u>	<u>1,010,231</u>
Excess of revenues over (under) expenditures	293,768	1,274,269	980,501	(1,284,389)	(133,062)	1,151,327
Other financing sources (uses)						
Budgeted transfers in	27,984	-	(27,984)	1,275,492	1,275,492	-
Budgeted transfers (out)	(733,986)	(733,986)	-	(805,679)	(777,695)	27,984
Debt proceeds	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(412,234)	540,283	952,517	(814,576)	364,735	1,179,311
Fund balances - beginning of year	<u>1,128,851</u>	<u>1,128,851</u>	<u>-</u>	<u>1,787,976</u>	<u>1,787,976</u>	<u>-</u>
Fund balances - end of year	<u>\$ 716,617</u>	<u>\$1,669,134</u>	<u>\$952,517</u>	<u>\$ 973,400</u>	<u>\$2,152,711</u>	<u>\$1,179,311</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 GOVERNMENTAL FUND TYPES

Year ended September 30, 1998

	CAPITAL PROJECTS			DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 317,450	\$ 301,054	\$(16,396)
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	<u>119,248</u>	<u>119,248</u>	<u>-</u>	<u>-</u>	<u>9,161</u>	<u>9,161</u>
Total revenues	<u>119,248</u>	<u>119,248</u>	<u>-</u>	<u>317,450</u>	<u>310,215</u>	<u>(7,235)</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	3,262,431	3,262,431	-	-	-	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>944,995</u>	<u>944,835</u>	<u>160</u>
Total expenditures	<u>3,262,431</u>	<u>3,262,431</u>	<u>-</u>	<u>944,995</u>	<u>944,835</u>	<u>160</u>
Excess of revenues over (under) expenditures	(3,143,183)	(3,143,183)	-	(627,545)	(634,620)	(7,075)
Other financing sources (uses)						
Budgeted transfers in	-	-	-	236,189	236,189	-
Budgeted transfers (out)	-	-	-	-	-	-
Debt proceeds	<u>3,143,183</u>	<u>3,004,065</u>	<u>(139,118)</u>	<u>417,000</u>	<u>417,000</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	(139,118)	(139,118)	25,644	18,569	(7,075)
Fund balances - beginning of year	<u>1,284,190</u>	<u>1,284,190</u>	<u>-</u>	<u>257,334</u>	<u>257,334</u>	<u>-</u>
Fund balances - end of year	<u>\$1,284,190</u>	<u>\$1,145,072</u>	<u>\$ 139,118</u>	<u>\$ 282,978</u>	<u>\$ 275,903</u>	<u>\$ (7,075)</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, 1998**

	<b>TOTALS (MEMORANDUM ONLY)</b>		
	<b>(NOTE G)</b>		
	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Revenues			
Intergovernmental revenues	\$ 4,004,717	\$ 4,344,350	\$ 339,633
Taxes	3,643,368	3,499,634	(143,734)
Fines and costs	245,000	260,765	15,765
Charges for services	469,772	830,622	360,850
Licenses and permits	165,300	178,739	13,439
Miscellaneous revenues	<u>986,396</u>	<u>1,351,121</u>	<u>364,725</u>
Total revenues	<u>9,514,553</u>	<u>10,465,231</u>	<u>950,678</u>
Expenditures			
General government	1,687,506	1,405,051	282,455
Public safety	3,071,151	2,972,712	98,439
Transportation	4,686,113	4,651,167	34,946
Physical environment	1,750,433	1,196,510	553,923
Economic environment	1,725,342	1,592,457	132,885
Human services	207,150	132,921	74,229
Culture and recreation	203,212	206,174	(2,962)
Debt service	<u>944,995</u>	<u>944,835</u>	<u>160</u>
Total expenditures	<u>14,275,902</u>	<u>13,101,827</u>	<u>1,174,075</u>
Excess of revenues over (under) expenditures	(4,761,349)	(2,636,596)	2,124,753
Other financing sources (uses)			
Budgeted transfers in	1,539,665	1,511,681	(27,984)
Budgeted transfers (out)	(1,539,665)	(1,511,681)	27,984
Bond proceeds	<u>3,560,183</u>	<u>3,421,065</u>	<u>(139,118)</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	(1,201,166)	784,469	1,985,635

The accompanying notes are an integral part of this statement.

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

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

**Year ended September 30, 1998**

	<b>TOTALS (MEMORANDUM ONLY)</b>		
	<b>(NOTE G)</b>		
	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Fund balances - beginning of year	<u>4,458,351</u>	<u>4,458,351</u>	<u>-</u>
Fund balances - end of year	<u>\$3,257,185</u>	<u>\$5,242,820</u>	<u>\$1,985,635</u>

The accompanying notes are an integral part of this statement.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**September 30, 1998**

**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 individual 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 1997 millage rate assessed by the County was 9.5 mills.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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

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

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

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

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

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

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

The County of Jefferson, Florida  
Board of County Commissioners

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

**Governmental Fund Types**

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

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

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

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

**Fiduciary Fund Types**

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

**Account Groups**

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

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

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**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 \$3,036,769 and the bank balances were \$3,460,041 at September 30, 1998. 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, 1998 and no further allowance is considered necessary. Bad debt expense for the year was \$78,100.



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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**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 5.29% to 6.8% per annum. These obligations require monthly and annual installments of various amounts and expire at various dates through October, 1999.

The County entered into an unsecured, demand note for \$385,000 with a local bank on February 8, 1994. The principal is payable on demand. Interest is payable semi-annually in August and February on the outstanding principal balance at a rate of 2% over the six month Treasury Bill rate (6.94% at September 30, 1998). Principal balance was \$370,000 on September 30, 1998.

The County entered into a \$4,074,000 Public Improvement Revenue Bond Anticipation Note on May 15, 1998. The County has drawn \$3,421,065 on the note through September 30, 1998. Farmers & Merchants Bank of Monticello, Florida is the registered owner of the note. Interest is payable at 4.69% on November 1, 1998 and May 1, 1999. The principal is due on May 1, 1999. This note was issued to provide interim financing for the construction of a criminal justice facility under the authority of and in full compliance with the Constitution and the laws of the State of Florida, particularly Chapter 125, Florida Statutes, Section 215.431 Florida Statutes, and a resolution duly adopted by the County on May 7, 1998. This note and the interest thereon are payable solely from and secured by a pledge of and lien upon the first proceeds to be derived from the issuance and sale of the County's Public Improvement Revenue Bonds, Series 1999, and if such amounts are insufficient or unavailable, from the Pledged Funds as defined in the Resolution.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE E - CHANGES IN LONG-TERM DEBT ACCOUNT GROUP - Continued**

The County entered into an installment loan agreement with a local bank on December 14, 1995, whereby it borrowed \$43,528 secured by equipment. The note is payable \$829 per month, including interest at 5.3% per annum, maturing December 14, 2000. Principal balance was \$14,175 on September 30, 1998.

The changes in general long-term debt for the year ended September 30, 1998 follows:

	<u>Balance</u> <u>10/1/97</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/98</u>
Installment purchase obligations	\$ 312,237	\$ -	\$134,924	\$ 177,313
Notes payable	<u>979,122</u>	<u>3,421,065</u>	<u>594,947</u>	<u>3,805,240</u>
	<u>\$1,291,359</u>	<u>\$3,421,065</u>	<u>\$729,871</u>	<u>\$3,982,553</u>

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

Year ending September 30:

1999	\$3,943,626
2000	38,927
Thereafter	<u>-</u>
	<u>\$3,982,553</u>

**NOTE F - CONTINGENCIES**

The County is involved in two civil rights complaints filed against it. These actions will result in either no liability or immaterial monetary liability in the opinion of counsel.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**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 10 years of service. Generally, members are eligible for normal retirement benefits at age 62 with 10 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 10 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

The County of Jefferson, Florida  
Board of County Commissioners

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

NOTE H - RETIREMENT PROGRAM - CONTINUED

calculated in the same manner as retirement benefits, except that disability benefits are not less than 42 percent of the member's average final compensation for disability incurred in the line of duty and not less than 25 percent of average final compensation for regular disability. Survivors of members who die in the line of duty are entitled to a monthly benefit equal to one-half the member's monthly salary at death. Survivors of members whose death is other than in the line of duty may elect to either receive benefits as if the member had retired on the date of death and had opted to provide survivor benefits or defer benefits to a later date and receive payments as if the member had retired at that later date.

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

As of September 30, 1998, the contribution rates were as follows:

	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	0.00	16.45%
Florida Retirement System, County Elected Officers	0.00	27.93%

The County's 1997-98 fiscal year payroll for all employees totaled \$1,563,694, including \$1,544,215 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, 1998, 1997 and 1996 totaled \$295,091, \$290,550 and \$317,362, respectively.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**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 pension benefit obligation of the Florida Retirement System as of July 1, 1997 was as follows:

	<u>(In Millions)</u>
Total Pension Benefit Obligation	\$54,263
Less, Net Assets Available for Benefits at Cost (Market \$56,221)	<u>49,531</u>
Unfunded Pension Benefit Obligation	<u>\$ 4,732</u>

The unfunded pension benefit obligation is being amortized by a portion of the required contributions from participating members. The County's liability for the unfunded pension benefit obligation is limited to the payment of the required contribution at the rates established by law on future payrolls of the County.

Measurement of total pension benefit obligation is based on an actuarial valuation as of July 1, 1997, using an assumed return on investments of 8 percent, updated as of July 1, 1997. Net assets available to pay pension benefits are valued as of June 30, 1997.

The County's 1997-98 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.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE H - RETIREMENT PROGRAM - CONTINUED**

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 1997-98 fiscal year and as of June 30, 1997, the Florida Retirement System held no securities issued by the County.

**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, 1998.
- 2) Excesses of expenditures over appropriations in individual funds. During the 1997-98 fiscal year, there were no funds with excesses of expenditures over appropriations.
- 3) Individual fund interfund receivable and payable balances at September 30, 1998 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ 680	\$ -
Fine and Forfeiture Fund	82,146	-
General Fund	-	121,672
County Transportation Trust Fund	-	443,514
Capital Projects Fund	-	449,290
Grants Fund	-	2,145
Fire District Fund	102,679	-
Local Option Sales Tax Fund	41,824	-

The County of Jefferson, Florida  
Board of County Commissioners

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1998

NOTE I - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - Continued

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Local Government Criminal Justice Fund	38,382	-
Solid Waste Trust Fund	630,082	-
911 Fund	<u>120,828</u>	<u>-</u>
	<u>\$1,016,621</u>	<u>\$1,016,621</u>

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.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**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, 1998:

	<u>Balance</u> <u>10/1/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/98</u>
Land	\$ 426,523	\$ -	\$ -	\$ 426,523
Buildings	4,206,167	2,946	-	4,209,113
Equipment	4,346,212	129,177	112,437	4,362,952
Construction in progress	<u>-</u>	<u>2,459,506</u>	<u>-</u>	<u>2,459,506</u>
	<u>\$ 8,978,902</u>	<u>\$ 2,591,629</u>	<u>\$ 112,437</u>	<u>\$ 11,458,094</u>

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

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE L - ROAD BONDS ADMINISTERED BY THE STATE OF FLORIDA - Continued**

The County had an arbitrage rebate liability of \$-0- as of October 1, 1998.

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, 1999	\$ 140,000
May 1, 2000	150,000
May 1, 2001	155,000
May 1, 2002	165,000
May 1, 2003	175,000
May 1, 2004 and thereafter	<u>2,075,000</u>
	<u>\$2,860,000</u>

**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	\$177,553
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications trust fund	<u>179,790</u>
	<u>\$357,343</u>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE M - RESERVED FUND BALANCES - Continued**

Capital Projects Fund - Reserve for road construction	<u>\$1,145,072</u>
Debt Service Fund - Reserve for debt service	<u>\$ 275,903</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 \$2,578,820 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.

**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:

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

**NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED**

**September 30, 1998**

**NOTE 0 - RISK MANAGEMENT - Continued**

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

The County participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating County is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$3,000,000.

**NOTE P - YEAR 2000 COMPLIANCE**

The County is aware of the year 2000 (Y2K) compliance problems and is in the process of verifying all its computer systems and related software is compliant. Management is also trying to determine if its major vendors, suppliers and banks are Y2K compliant.

**SUPPLEMENTAL INFORMATION**

The County of Jefferson, Florida  
Board of County Commissioners

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

September 30, 1998

	<u>FINES &amp; 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>
<b>ASSETS</b>					
Cash	\$163,880	\$599,252	\$ 46,582	\$ -	\$ -
Investments	14,427	-	370,522	-	-
Accrued interest receivable	65	-	1,828	-	-
Due from other governments	-	45,169	110,921	2,804	23,017
Due from other agencies	248,731	-	-	-	-
Due from other funds	82,146	-	-	102,679	41,824
Inventory of supplies, at cost	-	-	<u>177,553</u>	-	-
Total assets	<u>\$509,249</u>	<u>\$644,421</u>	<u>\$707,406</u>	<u>\$105,483</u>	<u>\$64,841</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities					
Accounts payable	\$ -	\$ 71,201	\$ 27,842	\$ 701	\$ -
Due to other funds	-	2,145	443,514	-	-
Revenues collected in advance	-	98,348	-	-	-
Due to other governments	-	-	-	-	-
Contingencies	-	-	-	-	-
Total liabilities	-	<u>171,694</u>	<u>471,356</u>	<u>701</u>	-
Fund balances					
Reserved 179,790	-	177,553	-	-	-
Unreserved					
Undesignated	<u>329,459</u>	<u>472,727</u>	<u>58,497</u>	<u>104,782</u>	<u>64,841</u>
Total fund balances	<u>509,249</u>	<u>472,727</u>	<u>236,050</u>	<u>104,782</u>	<u>64,841</u>
Total liabilities and fund balances	<u>\$509,249</u>	<u>\$644,421</u>	<u>\$707,406</u>	<u>\$105,483</u>	<u>\$64,841</u>

The County of Jefferson, Florida  
Board of County Commissioners

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS - CONTINUED

September 30, 1998

	<u>LOCAL GOVERNMENT CRIMINAL JUSTICE FUND</u>	<u>SOLID WASTE TRUST FUND</u>	<u>911 FUND</u>	<u>COMBINED TOTALS</u>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ 809,714
Investments	-	-	-	384,949
Accrued interest receivable	-	-	-	1,893
Due from other governments	2,571	8,488	-	192,970
Due from other agencies	-	-	3,019	251,750
Due from other funds	38,382	630,082	120,828	1,015,941
Inventory of supplies, at cost	-	-	-	177,553
Total assets	<u>\$40,953</u>	<u>\$638,570</u>	<u>\$123,847</u>	<u>\$2,834,770</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	\$ -	\$ 38,308	\$ -	\$ 138,052
Due to other funds	-	-	-	445,659
Revenues collected in advance	-	-	-	98,348
Due to other governments	-	-	-	-
Contingencies	-	-	-	-
Total liabilities	<u>-</u>	<u>38,308</u>	<u>-</u>	<u>682,059</u>
Fund balances				
Reserved	-	-	-	357,343
Unreserved				
Undesignated	<u>40,953</u>	<u>600,262</u>	<u>123,847</u>	<u>1,795,368</u>
Total fund balances	<u>40,953</u>	<u>600,262</u>	<u>123,847</u>	<u>2,152,711</u>
Total liabilities and fund balance	<u>\$40,953</u>	<u>\$638,570</u>	<u>\$123,847</u>	<u>\$2,834,770</u>

The County of Jefferson, Florida  
Board of County Commissioners

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

ALL SPECIAL REVENUE FUNDS

Year ended September 30, 1998

	FINES & FORFEITURE FUND			GRANTS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 118,592	\$ 154,563	\$ 35,971	\$1,723,262	\$1,765,081	\$ 41,819
Taxes	513,453	495,065	(18,388)	-	-	-
Fines and costs	220,500	235,710	15,210	-	-	-
Charges for services	15,000	15,498	498	-	-	-
Miscellaneous revenues	-	10,299	10,299	47,687	6,497	(41,190)
Total revenues	<u>867,545</u>	<u>911,135</u>	<u>43,590</u>	<u>1,770,949</u>	<u>1,771,578</u>	<u>629</u>
Expenditures						
Public safety	1,764,602	1,562,146	202,456	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	1,723,666	1,590,853	132,813
Total expenditures	<u>1,764,602</u>	<u>1,562,146</u>	<u>202,456</u>	<u>1,723,666</u>	<u>1,590,853</u>	<u>132,813</u>
Excess of revenues over (under) expenditures	(897,057)	(651,011)	(246,046)	47,283	180,725	133,442
Other financing source (uses)						
Budgeted transfers in	959,185	959,185	-	-	-	-
Budgeted transfers (out)	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	62,128	308,174	246,046	47,283	180,725	133,442
Fund balances - beginning of year	<u>201,075</u>	<u>201,075</u>	<u>-</u>	<u>292,002</u>	<u>292,002</u>	<u>-</u>
Fund balances - end of year	<u>\$ 263,203</u>	<u>\$ 509,249</u>	<u>\$246,046</u>	<u>\$339,285</u>	<u>\$ 472,727</u>	<u>\$ 133,442</u>

The County of Jefferson, Florida  
Board of County Commissioners

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

ALL SPECIAL REVENUE FUNDS

Year ended September 30, 1998

	COUNTY TRANSPORTATION TRUST FUND			FIRE DISTRICT FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 627,781	\$ 677,722	\$ 49,941	\$ -	\$ -	\$ -
Taxes	783,104	756,654	(26,450)	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	<u>21,200</u>	<u>33,779</u>	<u>12,579</u>	<u>202,061</u>	<u>233,845</u>	<u>31,784</u>
Total revenues	<u>1,432,085</u>	<u>1,468,155</u>	<u>36,070</u>	<u>202,061</u>	<u>233,845</u>	<u>31,784</u>
Expenditures						
Public safety	-	-	-	286,430	263,240	23,190
Transportation	1,423,682	1,388,736	34,946	-	-	-
Economic environment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,423,682</u>	<u>1,388,736</u>	<u>34,946</u>	<u>286,430</u>	<u>263,240</u>	<u>23,190</u>
Excess of revenues over (under) expenditures	8,403	79,419	71,016	(84,369)	(29,395)	54,974
Other financing source (uses)						
Budgeted transfers in	296,237	296,237	-	20,070	20,070	-
Budgeted transfers (out)	<u>(182,795)</u>	<u>(182,795)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	121,845	192,861	71,016	(64,299)	(9,325)	54,974
Fund balances - beginning of year	<u>43,189</u>	<u>43,189</u>	<u>-</u>	<u>114,107</u>	<u>114,107</u>	<u>-</u>
Fund balances - end of year	<u>\$ 165,034</u>	<u>\$ 236,050</u>	<u>\$ 71,016</u>	<u>\$ 49,808</u>	<u>\$104,782</u>	<u>\$ 54,974</u>



The County of Jefferson, Florida  
Board of County Commissioners

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

ALL SPECIAL REVENUE FUNDS

Year ended September 30, 1998

	LOCAL OPTIONS SALES TAX FUND			LOCAL GOVERNMENT CRIMINAL JUSTICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	420,764	390,120	(30,644)	-	-	-
Fines and costs	-	-	-	24,500	25,055	555
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	-	6,800	6,800	-	1,213	1,213
Total revenues	<u>420,764</u>	<u>396,920</u>	<u>(23,844)</u>	<u>24,500</u>	<u>26,268</u>	<u>1,768</u>
Expenditures						
Physical environment	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	420,764	396,920	(23,844)	24,500	26,268	1,768
Other financing source (uses)						
Budgeted transfers in	-	-	-	-	-	-
Budgeted transfers (out)	<u>(594,900)</u>	<u>(594,900)</u>	<u>-</u>	<u>(27,984)</u>	<u>-</u>	<u>27,984</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	(174,136)	(197,980)	(23,844)	(3,484)	26,268	29,752
Fund balances - beginning of year	<u>262,821</u>	<u>262,821</u>	<u>-</u>	<u>14,685</u>	<u>14,685</u>	<u>-</u>
Fund balances - end of year	<u>\$ 88,685</u>	<u>\$ 64,841</u>	<u>\$(23,844)</u>	<u>\$ 11,201</u>	<u>\$ 40,953</u>	<u>\$29,752</u>

The County of Jefferson, Florida  
Board of County Commissioners

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

ALL SPECIAL REVENUE FUNDS

Year ended September 30, 1998

	SOLID WASTE TRUST FUND			911 FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 152,448	\$ 143,701	\$ (8,747)	\$ -	\$ 12,000	\$12,000
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	15,000	35,512	20,512
Miscellaneous revenues	<u>588,000</u>	<u>610,045</u>	<u>22,045</u>	<u>-</u>	<u>5,289</u>	<u>5,289</u>
Total revenues	<u>740,448</u>	<u>753,746</u>	<u>13,298</u>	<u>15,000</u>	<u>52,801</u>	<u>37,801</u>
Expenditures						
Physical environment	1,476,918	914,670	562,248	-	-	-
Public safety	-	-	-	82,443	27,865	54,578
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Total expenditures	<u>1,476,918</u>	<u>914,670</u>	<u>562,248</u>	<u>82,443</u>	<u>27,865</u>	<u>54,578</u>
Excess of revenues over (under) expenditures	(736,470)	(160,924)	575,546	(67,443)	24,936	92,379
Other financing source (uses)						
Budgeted transfers in	-	-	-	-	-	-
Budgeted transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(736,470)	(160,924)	575,546	(67,443)	24,936	92,379
Correction of prior year error	<u>761,186</u>	<u>761,186</u>	<u>-</u>	<u>98,911</u>	<u>98,911</u>	<u>-</u>
Fund balances - end of year	<u>\$ 24,716</u>	<u>\$ 600,262</u>	<u>\$575,546</u>	<u>\$31,468</u>	<u>\$123,847</u>	<u>\$ 92,379</u>

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

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

**ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 1998

COMBINED TOTALS

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE UNFAVORABLE)</u>
Revenues			
Intergovernmental revenues	\$2,622,083	\$2,753,067	\$ 130,984
Taxes	1,717,321	1,641,839	(75,482)
Fines and costs	245,000	260,765	15,765
Charges for services	30,000	51,010	21,010
Miscellaneous revenues	<u>858,948</u>	<u>907,767</u>	<u>48,819</u>
Total revenues	<u>5,473,352</u>	<u>5,614,448</u>	<u>141,096</u>
Expenditures			
Physical environment	1,476,918	914,670	562,248
Public safety	2,133,475	1,853,251	280,224
Transportation	1,423,682	1,388,736	34,946
Economic environment	<u>1,723,666</u>	<u>1,590,853</u>	<u>132,813</u>
Total expenditures	<u>6,757,741</u>	<u>5,747,510</u>	<u>1,010,231</u>
Excess of revenues over (under) expenditures	(1,284,389)	(133,062)	1,151,327
Other financing source (uses)			
Budgeted transfers in	1,275,492	1,275,492	-
Budgeted transfers (out)	<u>(805,679)</u>	<u>(777,695)</u>	<u>27,984</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	(814,576)	364,735	1,179,311
Fund balances - beginning of year	<u>1,787,976</u>	<u>1,787,976</u>	<u>-</u>
Fund balances - end of year	<u>\$ 973,400</u>	<u>\$2,152,711</u>	<u>\$1,179,311</u>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>TAXES</u></b>			
Ad Valorem Taxes	\$1,925,447	\$1,857,182	\$(68,265)
Franchise Fees	<u>600</u>	<u>613</u>	<u>13</u>
<b>TOTAL TAXES</b>	<u>1,926,047</u>	<u>1,857,795</u>	<u>(68,252)</u>
<b><u>LICENSES AND PERMITS</u></b>			
Occupational Licenses	1,500	1,155	(345)
Contractors Licenses	4,500	6,659	2,159
Building Permits	80,100	79,193	(907)
Development Code Permits	<u>79,200</u>	<u>91,732</u>	<u>12,532</u>
<b>TOTAL LICENSES AND PERMITS</b>	<u>165,300</u>	<u>178,739</u>	<u>13,439</u>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>			
Federal Shared Revenues:			
Federal Wildlife	<u>14,500</u>	<u>30,481</u>	<u>15,981</u>
State Grants:			
Public Safety	119,600	208,622	89,022
Culture/Recreation	<u>75,000</u>	<u>85,886</u>	<u>10,886</u>
<b>Total State Grants</b>	<u>194,600</u>	<u>294,508</u>	<u>99,908</u>
State Shared Revenues:			
State Revenue Sharing	265,148	330,388	65,240
Insurance Agents' County			
Licenses	4,000	7,710	3,710
Mobile Home Licenses	6,000	9,192	3,192
Alcoholic Beverages Licenses	1,500	1,386	(114)
Racing Tax	111,625	111,625	-
Local Government Half-Cent			
Sales Tax	236,795	271,245	34,450
Emergency State Sales Tax			
Distribution	229,119	227,344	(1,775)
Payment in Lieu of Tax	<u>1,897</u>	<u>6,350</u>	<u>4,453</u>
<b>Total State Shared Revenues</b>	<u>856,084</u>	<u>965,240</u>	<u>109,156</u>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL - CONTINUED**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<u>1,065,184</u>	<u>1,290,229</u>	<u>225,045</u>
<b><u>CHARGES FOR SERVICES</u></b>			
General Government:			
Public Defender Liens	4,000	2,289	(1,711)
Administration Fees	25,000	-	(25,000)
Law Library	2,500	2,433	(67)
Tax Collector	140,000	427,905	287,905
Supervisor of Elections	-	1,685	1,685
Property Appraiser	<u>3,000</u>	<u>4,554</u>	<u>1,554</u>
<b>Total General Government</b>	<u>174,500</u>	<u>438,866</u>	<u>264,366</u>
Public Safety:			
Ambulance Fees	<u>216,000</u>	<u>308,244</u>	<u>92,244</u>
Physical/Environment:			
Garbage/Solid Waste Revenue	<u>49,272</u>	<u>32,502</u>	<u>(16,770)</u>
<b>TOTAL CHARGES FOR SERVICES</b>	<u>439,772</u>	<u>779,612</u>	<u>339,840</u>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Recovery Fees	4,000	1,323	(2,677)
Prior Year Refunds	-	270,951	270,951
Miscellaneous Revenues	<u>4,200</u>	<u>42,671</u>	<u>38,471</u>
<b>TOTAL MISCELLANEOUS REVENUE</b>	<u>8,200</u>	<u>314,945</u>	<u>306,745</u>
<b><u>NON-REVENUES</u></b>			
Transfer from Local Government Criminal Justice Trust Fund	<u>27,984</u>	<u>-</u>	<u>(27,984)</u>
<b>TOTAL REVENUES</b>	<u>\$3,632,487</u>	<u>\$4,421,320</u>	<u>\$788,833</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>GENERAL GOVERNMENT SERVICES</u></b>			
Legislative:			
Board of County Commissioners:			
Personal Services	\$141,844	\$103,970	\$37,874
Operating Expenses	157,220	131,638	25,582
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Legislative</b>	<u>299,064</u>	<u>235,608</u>	<u>63,456</u>
Financial and Administrative:			
Property Appraiser:			
Personal Services	203,936	203,580	356
Operating Expenses	83,702	51,604	32,098
Capital Outlay	<u>3,431</u>	<u>3,431</u>	<u>-</u>
<b>Total Property Appraiser</b>	<u>291,069</u>	<u>258,615</u>	<u>32,454</u>
Tax Collector:			
Personal Services	188,322	228,093	(39,771)
Operating Expenses	49,402	49,169	233
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Tax Collector</b>	<u>237,724</u>	<u>277,262</u>	<u>(39,538)</u>
Grants Development:			
Personal Services	5,991	5,974	17
Operating Expenses	16,187	24,631	(8,444)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Grants Development</b>	<u>22,178</u>	<u>30,605</u>	<u>(8,427)</u>
Finance			
Operating Expenses	<u>20,000</u>	<u>25,637</u>	<u>(5,637)</u>
<b>Total Financial and Administrative</b>	<u>570,971</u>	<u>592,119</u>	<u>(21,148)</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Legal Counsel:			
County Attorney:			
Operating Expenses	21,795	25,122	(3,327)
<b>Total Legal Counsel</b>	<u>21,795</u>	<u>25,122</u>	<u>(3,327)</u>
Comprehensive Planning:			
County Development			
Industrial Development	2,000	2,000	-
County Planning:			
Personal Services	59,434	58,597	837
Operating Expenses	19,234	20,969	(1,735)
Capital Outlay	1,000	3,213	(2,213)
<b>Total County Planning</b>	<u>79,668</u>	<u>82,779</u>	<u>(3,111)</u>
<b>Total Comprehensive Planning</b>	<u>81,668</u>	<u>84,779</u>	<u>(3,111)</u>
Judicial:			
Clerk of the Circuit Court:			
Personal Services	69,283	69,283	-
Operating Expenses	101,976	86,585	15,391
Capital Outlay	3,659	30	3,629
<b>Total Clerk of the Circuit Court</b>	<u>174,918</u>	<u>155,898</u>	<u>19,020</u>
Circuit Court:			
Operating Expenses	70,931	57,104	13,827
Capital Outlay	-	-	-
<b>Total Circuit Court</b>	<u>70,931</u>	<u>57,104</u>	<u>13,827</u>
County Court:			
Operating Expenses	4,300	4,378	(78)
Capital Outlay	-	-	-
<b>Total County Court</b>	<u>4,300</u>	<u>4,378</u>	<u>(78)</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED**

Year ended September 30, 1998

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
State Attorney:			
Operating Expenses	16,150	12,650	3,500
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total State Attorney</b>	<u>16,150</u>	<u>12,650</u>	<u>3,500</u>
Public Defender:			
Operating Expenses	<u>8,600</u>	<u>8,953</u>	<u>(353)</u>
<b>Total Public Defender</b>	<u>8,600</u>	<u>8,953</u>	<u>(353)</u>
Court Reporters:			
Operating Expenses	<u>26,984</u>	<u>27,975</u>	<u>(991)</u>
<b>Total Court Reporters</b>	<u>26,984</u>	<u>27,975</u>	<u>(991)</u>
<b>Total Judicial</b>	<u>301,883</u>	<u>266,958</u>	<u>34,925</u>
Other General Governmental Services:			
Supervisor of Elections			
Personal Services	94,613	94,225	388
Operating Expenses	36,874	38,418	(1,544)
Capital Outlay	<u>3,000</u>	<u>1,431</u>	<u>1,569</u>
<b>Total Supervisor of Elections</b>	<u>134,487</u>	<u>134,074</u>	<u>413</u>
Other Maintenance Services:			
Courtthouse and Annexes:			
Personal Services	18,297	18,442	(145)
Operating Expenses	54,841	42,898	11,943
Capital Outlay	<u>204,500</u>	<u>5,051</u>	<u>199,449</u>
<b>Total Other Maintenance Svcs.</b>	<u>277,638</u>	<u>66,391</u>	<u>211,247</u>
<b>Total Other General Governmental Services</b>	<u>412,125</u>	<u>200,465</u>	<u>211,660</u>



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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>TOTAL GENERAL GOVERNMENT SERVICES</b>	<u>1,687,506</u>	<u>1,405,051</u>	<u>282,455</u>
<b><u>PUBLIC SAFETY</u></b>			
Fire Control:			
Operating Expenses	<u>11,300</u>	<u>11,279</u>	<u>21</u>
<b>Total Fire Control</b>	<u>11,300</u>	<u>11,279</u>	<u>21</u>
Detentions and/or Correction:			
Operating Expenses	337,282	397,530	(60,248)
Capital Outlay	<u>2,500</u>	<u>-</u>	<u>2,500</u>
<b>Total Detention and/or Correction</b>	<u>339,782</u>	<u>397,530</u>	<u>(57,748)</u>
Protective Inspections:			
Building Inspection:			
Personal Services	59,730	56,219	3,511
Operating Expenses	19,292	17,838	1,454
Capital Outlay	<u>600</u>	<u>3,708</u>	<u>(3,108)</u>
<b>Total Building Inspection</b>	<u>79,622</u>	<u>77,765</u>	<u>1,857</u>
Construction Industry Licensing:			
Personal Services	8,825	7,849	976
Operating Expenses	1,047	612	435
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Construction Industry Licensing</b>	<u>9,872</u>	<u>8,461</u>	<u>1,411</u>
<b>Total Protective Inspection</b>	<u>89,494</u>	<u>86,226</u>	<u>3,268</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Emergency and Disaster Relief Services:			
Emergency Management:			
Personal Services	78,283	54,650	23,633
Operating Expenses	55,395	67,146	(11,751)
Capital Outlay	<u>26,841</u>	<u>18,977</u>	<u>7,864</u>
<b>Total Emergency and Disaster Relief Services</b>	<u>160,519</u>	<u>140,773</u>	<u>19,746</u>
Ambulance and Rescue Services:			
Personal Services	223,892	215,046	8,846
Operating Expenses	88,189	139,559	(51,370)
Capital Outlay	<u>12,500</u>	<u>108,038</u>	<u>(95,538)</u>
<b>Total Ambulance and Rescue Svcs.</b>	<u>324,581</u>	<u>462,643</u>	<u>(138,062)</u>
Medical Examiner			
Operating Expenses	<u>12,000</u>	<u>21,010</u>	<u>(9,010)</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>937,676</u>	<u>1,119,461</u>	<u>(181,785)</u>
<b><u>PHYSICAL ENVIRONMENT</u></b>			
Garbage/Solid Waste Disposal:			
Refuse:			
Personal Services	111,384	118,643	(7,259)
Operating Expenses	56,895	58,225	(1,330)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Garbage/Solid Waste Disposal</b>	<u>168,279</u>	<u>176,868</u>	<u>(8,589)</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Conservation and Resource Management:			
Soil Conservation:			
Operating Expenses	<u>1,975</u>	<u>1,572</u>	<u>403</u>
<b>Total Soil Conservation</b>	<u>1,975</u>	<u>1,572</u>	<u>403</u>
 Agriculture and Home Economics Agent:			
Personal Services	71,121	69,399	1,722
Operating Expenses	28,340	26,092	2,248
Capital Outlay	<u>3,800</u>	<u>7,909</u>	<u>(4,109)</u>
<b>Total Agriculture and Home Economics Agent</b>	<u>103,261</u>	<u>103,400</u>	<u>(139)</u>
 <b>Total Conservation and Resource Management</b>	<u>105,236</u>	<u>104,972</u>	<u>264</u>
 <b>TOTAL PHYSICAL ENVIRONMENT</b>	<u>273,515</u>	<u>281,840</u>	<u>(8,325)</u>
 <b><u>ECONOMIC ENVIRONMENT</u></b>			
Veterans Affairs			
Operating Expenses	<u>1,676</u>	<u>1,604</u>	<u>72</u>
 <b>TOTAL ECONOMIC ENVIRONMENT</b>	<u>1,676</u>	<u>1,604</u>	<u>72</u>
 <b><u>HUMAN SERVICES</u></b>			
Health:			
Health Department:			
Operating Expenses	3,850	240	3,610
Indigent Health Care:			
Operating Expenses	<u>190,700</u>	<u>120,956</u>	<u>69,744</u>
<b>Total Health</b>	<u>194,550</u>	<u>121,196</u>	<u>73,354</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED**

Year ended September 30, 1998

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Mental Health:			
Grants and Aids	<u>12,600</u>	<u>11,725</u>	<u>875</u>
<b>TOTAL HUMAN SERVICES</b>	<u>207,150</u>	<u>132,921</u>	<u>74,229</u>
 <b><u>CULTURE/RECREATION</u></b>			
Libraries:			
Personal Services	62,365	64,897	(2,532)
Operating Expenses	104,607	102,216	2,391
Capital Outlay	<u>10,257</u>	<u>10,761</u>	<u>(504)</u>
<b>Total Libraries</b>	<u>177,229</u>	<u>177,874</u>	<u>(645)</u>
Parks and Recreation:			
Personal Services	18,587	18,560	27
Operating Expenses	7,396	9,740	(2,344)
Capital Outlay	-	-	-
<b>Total Parks and Recreation</b>	<u>25,983</u>	<u>28,300</u>	<u>(2,317)</u>
<b>TOTAL CULTURE/RECREATION</b>	<u>203,212</u>	<u>206,174</u>	<u>(2,962)</u>
 <b><u>NON-EXPENDITURE DISBURSEMENTS</u></b>			
Interfund Transfer:			
Transfer to Fine & Forfeiture Fund	417,679	417,679	-
Transfer to Fire Assessment Fund	20,070	20,070	-
Transfer to County Transportation Trust Fund	<u>296,237</u>	<u>296,237</u>	<u>-</u>
<b>TOTAL NON-EXPENDITURE DISBURSEMENTS</b>	<u>733,986</u>	<u>733,986</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$4,044,721</u>	<u>\$3,881,037</u>	<u>\$163,684</u>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Interest and other	\$ 119,248	\$ 119,248	\$ -
<b><u>NON-REVENUE</u></b>			
Road Bond Proceeds	139,118	-	(139,118)
Debt proceeds	<u>3,004,065</u>	<u>3,004,065</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<b><u>\$3,262,431</u></b>	<b><u>\$3,123,313</u></b>	<b><u>\$(139,118)</u></b>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
 <b><u>TRANSPORTATION</u></b>			
Road Construction	\$ 31,841	\$ 31,841	\$ -
 <b><u>PUBLIC SAFETY</u></b>			
Jail Construction	<u>3,230,590</u>	<u>3,230,590</u>	<u>-</u>
 <b>TOTAL EXPENDITURES</b>	 <u>\$3,262,431</u>	 <u>\$3,262,431</u>	 <u>\$ -</u>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>TAXES</b>			
Ad Valorem Taxes	\$ <u>513,453</u>	\$ <u>495,065</u>	\$ <u>(18,388)</u>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>			
Grants from Other Governments:			
Public Safety	<u>118,592</u>	<u>154,563</u>	<u>35,971</u>
<b><u>CHARGES FOR SERVICES</u></b>			
General Government			
Sheriff's Fees	<u>15,000</u>	<u>15,498</u>	<u>498</u>
<b><u>FINES AND COSTS</u></b>			
Court Cases:			
County Fines	165,000	180,094	15,094
Court Education Trust Fund	5,500	8,266	2,766
Communication Trust Fund	<u>50,000</u>	<u>47,350</u>	<u>(2,650)</u>
<b>TOTAL FINES AND COSTS</b>	<u>220,500</u>	<u>235,710</u>	<u>15,210</u>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Interest and other	<u>-</u>	<u>10,298</u>	<u>10,298</u>
<b><u>NON-REVENUES</u></b>			
Transfer from Local Option			
Sales Tax Fund	541,506	541,506	-
Transfer from General Fund	<u>417,679</u>	<u>417,679</u>	<u>-</u>
<b>TOTAL NON-REVENUES</b>	<u>959,185</u>	<u>959,185</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>\$1,826,730</u>	<u>\$1,870,319</u>	<u>\$ 43,589</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b><u>PUBLIC SAFETY</u></b>			
Law Enforcement:			
Sheriff:			
Personal Services	\$ 1,205,467	\$ 1,108,298	\$ 97,169
Operating Expenses	469,302	421,596	47,706
Capital Outlay	<u>89,833</u>	<u>32,252</u>	<u>57,581</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>\$1,764,602</u>	<u>\$1,562,146</u>	<u>\$202,456</u>



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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>			
Federal Grants:			
Economic Environment:			
HUD	\$ 727,722	\$729,522	\$ 1,800
Other Economic Environment	<u>63,821</u>	<u>46,612</u>	<u>(17,209)</u>
<b>Total Federal Grants</b>	<u>791,543</u>	<u>776,134</u>	<u>(15,409)</u>
State Grants:			
Economic Environment:			
State Housing Initiatives			
Partnership	730,203	643,720	(86,483)
Historic Preservation	<u>201,516</u>	<u>345,227</u>	<u>143,711</u>
<b>Total State Grants</b>	<u>931,719</u>	<u>988,947</u>	<u>57,228</u>
<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	<u>1,723,262</u>	<u>1,765,081</u>	<u>1,819</u>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Interest Earnings	<u>47,687</u>	<u>6,497</u>	<u>(41,190)</u>
<b>TOTAL REVENUES</b>	<u>\$1,770,949</u>	<u>\$1,771,578</u>	<u>\$ 629</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>ECONOMIC ENVIRONMENT</u></b>			
Employment Opportunity and Development:			
Housing and Urban Development			
Personal Services	\$ 72,985	\$ 72,985	\$ -
Operating Expenses	<u>676,685</u>	<u>677,858</u>	<u>(1,173)</u>
<b>Total Housing and Urban Development</b>	<u>749,670</u>	<u>750,843</u>	<u>(1,173)</u>
Other Economic Development			
Personal Services	56,807	56,807	-
Operating Expenses	<u>917,189</u>	<u>783,203</u>	<u>133,986</u>
<b>Total Other Economic Development</b>	<u>973,996</u>	<u>840,010</u>	<u>133,986</u>
<b>TOTAL EXPENDITURES</b>	<u>\$1,723,666</u>	<u>\$1,590,853</u>	<u>\$132,813</u>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>TAXES</u></b>			
Local Option Gasoline Tax	\$ <u>783,104</u>	\$ <u>756,654</u>	\$ <u>(26,450)</u>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>			
State Shared Revenue:			
General Government:			
Racing Tax Funds	<u>111,625</u>	<u>111,625</u>	<u>-</u>
<b>Total General Government</b>	<b><u>111,625</u></b>	<b><u>111,625</u></b>	<b><u>-</u></b>
Transportation:			
Motor Fuel Tax	10,000	21,053	11,053
Gasoline Tax Pour Over Trust	223,700	228,555	4,855
Gasoline Tax - 5th and 6th cent	<u>282,456</u>	<u>316,489</u>	<u>34,033</u>
<b>Total Transportation</b>	<b><u>516,156</u></b>	<b><u>566,097</u></b>	<b><u>49,941</u></b>
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b><u>627,781</u></b>	<b><u>677,722</u></b>	<b><u>49,941</u></b>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Pipe Installation Fees	5,500	10,081	4,581
Interest Earnings	15,000	20,201	5,201
Other Miscellaneous Revenue	<u>700</u>	<u>3,495</u>	<u>2,795</u>
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b><u>21,200</u></b>	<b><u>33,777</u></b>	<b><u>12,577</u></b>
<b><u>NON-REVENUE</u></b>			
Transfer from General Fund	<u>296,237</u>	<u>296,237</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<b><u>\$1,728,322</u></b>	<b><u>\$1,764,390</u></b>	<b><u>\$ 36,068</u></b>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b><u>TRANSPORTATION</u></b>			
Road and Street Facilities:			
Roads and Bridges:			
Personal Services	\$ 834,427	\$ 788,394	\$ 46,033
Operating Expenses	463,422	477,580	(14,158)
Capital Outlay	<u>125,833</u>	<u>122,762</u>	<u>3,071</u>
<b>TOTAL TRANSPORTATION</b>	<u>1,423,682</u>	<u>1,388,736</u>	<u>34,946</u>
<b><u>NON-EXPENDITURE DISBURSEMENTS</u></b>			
Interfund Transfers:			
Transfer to Debt			
Service Fund	<u>182,795</u>	<u>182,795</u>	<u>-</u>
<b>TOTAL NON-EXPENDITURE DISBURSEMENTS</b>	<u>182,795</u>	<u>182,795</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$1,606,477</u>	<u>\$1,571,531</u>	<u>\$ 34,946</u>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>MISCELLANEOUS REVENUES</u></b>			
Fire Assessment	\$202,061	\$227,344	\$25,283
Interest Earnings	-	5,336	5,336
Miscellaneous	<u>-</u>	<u>1,165</u>	<u>1,165</u>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<u>202,061</u>	<u>233,845</u>	<u>31,784</u>
<b><u>NON-REVENUES</u></b>			
Transfer from General Fund	<u>20,070</u>	<u>20,070</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>\$222,131</u>	<u>\$253,915</u>	<u>\$31,784</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>PUBLIC SAFETY</u></b>			
Fire Control:			
Personal Services	\$244,690	\$219,045	\$ 25,645
Operating Expenses	39,740	43,721	(3,981)
Capital Outlay	<u>2,000</u>	<u>473</u>	<u>1,527</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$286,430</u></b>	<b><u>\$263,239</u></b>	<b><u>\$ 23,191</u></b>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

Year ended September 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b><u>TAXES</u></b>			
Local Option Sales Tax	\$ <u>420,764</u>	\$ <u>390,120</u>	\$( <u>30,644</u> )
<b><u>MISCELLANEOUS REVENUE</u></b>			
Interest Earnings	—	<u>6,800</u>	<u>6,800</u>
<b>TOTAL REVENUES</b>	<b>\$<u>420,764</u></b>	<b>\$<u>396,920</u></b>	<b>\$(<u>23,844</u>)</b>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>NON-EXPENDITURE DISBURSEMENTS</u></b>			
Interfund Transfers:			
Transfer to Fine and Forfeiture Fund	\$541,506	\$541,506	\$ -
Transfer to Debt Service Fund	<u>53,394</u>	<u>53,394</u>	<u>-</u>
 <b>TOTAL EXPENDITURES</b>	 <u>\$594,900</u>	 <u>\$594,900</u>	 <u>\$ -</u>



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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>FINES AND COSTS</u></b>			
Court Fines	<u>\$24,500</u>	<u>\$25,055</u>	<u>\$ 555</u>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Interest Earned	<u>-</u>	<u>1,213</u>	<u>1,213</u>
<b>TOTAL REVENUES</b>	<u>\$24,500</u>	<u>\$26,268</u>	<u>\$1,768</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, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<b><u>NON-EXPENDITURE DISBURSEMENT</u></b>			
Interfund Transfer:			
Transfer to General Fund	\$27,984	\$ -	\$27,984
<b>TOTAL EXPENDITURES</b>	<b><u>\$27,984</u></b>	<b><u>\$ -</u></b>	<b><u>\$27,984</u></b>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>			
State Grants:			
Physical Environment	\$ <u>152,448</u>	\$ <u>143,701</u>	\$ <u>(8,747)</u>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Solid Waste Special Assessment	573,000	583,470	10,470
Interest Earnings	-	10,229	10,229
Other	<u>15,000</u>	<u>16,346</u>	<u>1,346</u>
<b>TOTAL MISCELLANEOUS REVENUE</b>	<u>588,000</u>	<u>610,045</u>	<u>22,045</u>
<b>TOTAL REVENUES</b>	<u>\$740,448</u>	<u>\$753,746</u>	<u>\$ 13,298</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b><u>PHYSICAL ENVIRONMENT</u></b>			
Garbage/Solid Waste Disposal:			
Landfill/Refuse:			
Personal Services	\$ 136,747	\$ 149,806	\$(13,059)
Operating Expenses	709,798	752,582	(42,784)
Capital Outlay	<u>630,373</u>	<u>12,282</u>	<u>618,091</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$1,476,918</u></b>	<b><u>\$ 914,670</u></b>	<b><u>\$562,248</u></b>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>			
State Grants:			
Public Safety	\$ <u>-</u>	<u>\$12,000</u>	<u>\$12,000</u>
<b><u>CHARGES FOR SERVICES</u></b>			
Public Safety:			
Emergency Service Fees	<u>15,000</u>	<u>35,512</u>	<u>20,512</u>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Interest Earnings	<u>-</u>	<u>5,289</u>	<u>5,289</u>
<b>TOTAL REVENUES</b>	<b><u>\$15,000</u></b>	<b><u>\$52,801</u></b>	<b><u>\$37,801</u></b>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b><u>PUBLIC SAFETY</u></b>			
Emergency and Disaster Relief Services:			
Emergency Communications System Operating Expenses	\$82,443	\$27,865	\$54,578
<b>TOTAL EXPENDITURES</b>	<b><u>\$82,443</u></b>	<b><u>\$27,865</u></b>	<b><u>\$54,578</u></b>

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

**STATEMENT OF REVENUES - BUDGETED AND ACTUAL**

**Year ended September 30, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b><u>INTERGOVERNMENTAL REVENUE</u></b>			
State Shared Revenue:			
Transportation			
Gasoline Tax - 5th and 6th			
Cent	<u>\$317,450</u>	<u>\$301,054</u>	<u>\$(16,396)</u>
<b><u>MISCELLANEOUS REVENUE</u></b>			
Interest Earnings	<u>-</u>	<u>9,161</u>	<u>9,161</u>
<b><u>NON-REVENUES</u></b>			
Debt proceeds	417,000	417,000	-
Transfer from County			
Transportation Trust Fund	182,795	182,795	-
Transfer from Local Option			
Sales Tax Fund	<u>53,394</u>	<u>53,394</u>	<u>-</u>
<b>TOTAL NON-REVENUES</b>	<u>653,189</u>	<u>653,189</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>\$970,639</u>	<u>\$963,404</u>	<u>\$(7,235)</u>

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

**STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS**

**Year ended September 30, 1998**

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b><u>DEBT SERVICE</u></b>			
Principal Retirement	\$718,667	\$718,333	\$ 334
Interest	226,328	225,926	402
Other expenses	<u>          -</u>	<u>      576</u>	<u>  (576)</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$944,995</u></b>	<b><u>\$944,835</u></b>	<b><u>\$ 160</u></b>



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

February 15, 1999

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, 1998, and have issued our report thereon dated February 15, 1999.

We have issued our Independent Auditor's Reports On Internal Control and On Compliance With Laws and Regulations both dated February 15, 1999. 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) (e) 1.) require that we comment as to whether or not inaccuracies, irregularities, shortages, defalcations, and/or violation 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) (e) 2.) 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) (e) 3.), 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.

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

As required by the Rules of the Auditor General (Section 10.554 (1) (e) 4.), we determined that the financial information for the Jefferson County, Florida, Board of Commissioners, for the fiscal year ended September 30, 1998, included in the combined Jefferson County financial report filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 1998.

The Rules of Auditor General (Sections 10.554 (1) (e) 6., 7., 8., 9.) 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, regulations, and contractual provisions that: (1) have occurred, or are likely to have occurred; (2) were discovered within the scope of the financial audit; and (3) may or may not have materially affected the financial statements; 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, irregularities, shortages and defalcations, and instances of fraud and fraud related risk factors representing reportable conditions, 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) (e) 6., 7., 8., 9.).

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.

*Betty Rogers, Scheuch & Jones*

Jefferson County, Florida  
**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE**  
For the year ended September 30, 1998

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts*</u>	<u>Disbursements</u>
<b><u>U.S. Department of HUD</u></b>				
Direct Programs:				
Section 8	14.195**	N/A	\$484,130	\$ 505,461
Passed Through State				
Department of Community Affairs:				
Community Development Block Grant	14.219**	93DB-11-02-43-01-E32	259,977	259,977
Community Development Block Grant	14.219**	96DB-1E-02-43-01-N32	<u>245,382</u>	<u>245,382</u>
<b>TOTAL DEPARTMENT OF HUD</b>			<b><u>\$989,489</u></b>	<b><u>\$1,010,820</u></b>
<b><u>U.S. Department of Energy</u></b>				
Passed Through State				
Department of Community Affairs:				
Weatherization Assistance for Low-Income Persons	81.042	97-WX-4D-02-43-01-012	\$ 26,940	\$ 26,940
Weatherization Assistance for Low-Income Persons	81.042	98-LH-7R-02-43-01-012	12,772	12,772
Weatherization Assistance for Low-Income Persons	81.042	98-LE-62-02-43-01-012	<u>4,127</u>	<u>4,127</u>
<b>TOTAL DEPARTMENT OF ENERGY</b>			<b><u>\$ 43,839</u></b>	<b><u>\$ 43,839</u></b>
<b><u>U.S. Department of Agriculture</u></b>				
Passed Through State				
Department of Health:				
Food Distribution	10.550	4055	<u>\$ 2,998</u>	<u>\$ 2,998</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b><u>\$ 2,998</u></b>	<b><u>\$ 2,998</u></b>

Jefferson County, Florida  
**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED**  
For the year ended September 30, 1998

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts*</u>	<u>Disbursements</u>
<b><u>U.S. Federal Emergency Management Agency</u></b>				
Passed Through State:				
Department of Community Affairs:				
Emergency Management Assistance	83.503	98-EM-8N-02-43-10-033	\$ 23,268	\$ 23,268
Emergency Management Assistance	83.503	97-CP-05-02-43-01-033	13,377	13,377
Emergency Management Assistance	83.503	98-CP-05-02-43-01-033	92,598	92,598
Hazard Mitigation	83.548	98-LM-4H-02-43-01-033	<u>6,650</u>	<u>6,650</u>
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<b><u>\$ 135,893</u></b>	<b><u>\$ 135,893</u></b>
<b><u>U.S. Department of Justice</u></b>				
Passed Through State Department of Community Affairs:				
Anti-Drug Abuse Act	16.579	98-CJ-8C-02-43-01-086	<u>\$ 97,127</u>	<u>\$ 97,127</u>
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<b><u>\$ 97,127</u></b>	<b><u>\$ 97,127</u></b>
<b>TOTAL FEDERAL ASSISTANCE</b>			<b><u>\$1,269,346</u></b>	<b><u>\$1,290,677</u></b>
<b>State Assistance:</b>				
<b>Department of Environmental Protection</b>				
Recycling and Education Grant	N/A	RE 98-31	\$ 74,399	\$ 74,399
Waste Tire Grant	N/A	WT 98-33	8,049	8,049
Waste Grant	N/A	SC 98-19	50,000	50,000
Litter Control and Prevention Grant	N/A	LC 98-31	<u>9,881</u>	<u>9,881</u>
<b>TOTAL DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>			<b><u>\$ 142,329</u></b>	<b><u>\$ 142,329</u></b>

**Jefferson County, Florida**  
**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED**  
**For the year ended September 30, 1998**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts*</u>	<u>Disbursements</u>
<b>Department of State:</b>				
Historic Preservation Grant	N/A	SC 722 ***	\$ 343,711	\$ 343,711
State Aid to Libraries	N/A	98-ST-77***	\$ 85,886	\$ 85,886
<b>TOTAL DEPARTMENT OF STATE</b>			<u>\$ 429,597</u>	<u>\$ 429,597</u>
<b>Department of Community Affairs:</b>				
State Housing Initiatives Partnership	N/A	SHIP	\$ 643,720	\$ 451,957
<b>TOTAL DEPARTMENT OF COMMUNITY AFFAIRS</b>			<u>\$ 643,720</u>	<u>\$ 451,957</u>
<b>Department of Health</b>				
Emergency Medical Services	N/A	M6127	\$ 13,514	\$ 13,514
Emergency Medical Services	N/A	M7288	56,700	56,700
<b>TOTAL DEPARTMENT OF HEALTH</b>			<u>\$ 70,214</u>	<u>\$ 70,214</u>
<b>Department of Management Services</b>				
911 Service Enhancement Grant	N/A	N/A	\$ 12,000	\$ 12,000
<b>TOTAL DEPARTMENT OF MANAGEMENT SERVICES</b>			<u>\$ 12,000</u>	<u>\$ 12,000</u>
<b>TOTAL STATE ASSISTANCE</b>			<u>\$1,297,860</u>	<u>\$1,106,097</u>
<b>TOTAL FEDERAL AND STATE ASSISTANCE</b>			<u>\$2,567,206</u>	<u>\$2,396,774</u>

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

\*\*Indicates a major program.

\*\*\*Indicates state grants and aids appropriation.

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**BETTS, ROGERS, SCHENCK & JONES**  
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PROFESSIONAL ASSOCIATION

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

February 15, 1999

**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, 1998, and have issued our report thereon dated February 15, 1999. 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 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.

*Beth, Roger, Michael & Jones*

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

January 8, 1998

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

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

Compliance

We have audited the compliance of the Board of County Commissioners of Jefferson County, Florida, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 1998. The Board of County Commissioners of Jefferson County, Florida's major federal programs are identified in the Schedule of Federal and State Financial Assistance. Compliance with the requirements of laws, regulations, contracts and grant applicable to each of its major federal programs is the responsibility of the Board of County Commissioners. Our responsibility is to express an opinion on the Board's compliance based on our audit.

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

In our opinion, the Board of County Commissioners of Jefferson County, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 1998.



### Internal Control over Compliance

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

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

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

*Bella, Rogers, Schank, Jones*

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February 15, 1999

**INDEPENDENT AUDITOR'S REPORT ON  
EXAMINATION OF MANAGEMENT'S ASSERTION  
ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS**

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

We have examined management's assertion about the Board of County Commissioners of Jefferson County, Florida's compliance with the allowable cost requirements established in the grant agreements applicable to the State grants and aids appropriations identified on Schedule of Federal and State Financial Assistance for the year ended September 30, 1998 included in the accompanying Management Assertion Report. Management is responsible for the Board of County Commissioners of Jefferson County, Florida's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Board of County Commissioners of Jefferson County, Florida's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Board of County Commissioners of Jefferson County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board of County Commissioners of Jefferson County, Florida's compliance with specified requirements.

In our opinion, management's assertion that the Board of County Commissioners of Jefferson County, Florida complied with the aforementioned requirements during the fiscal year ended September 30, 1998 is fairly stated, in all material respects.

*Betts, Rogers, Schenck & Jones*

## MANAGEMENT ASSERTION REPORT

I, Carl D. Boatwright, hereby assert that, the Board of County Commissioners of Jefferson County, Florida complied with allowable cost requirements of the grants and aids appropriations identified on the attached Schedule of Federal and State Financial Assistance during the fiscal year ended September 30, 1998.

Carl D. Boatwright  
(signature)

Clerk of Circuit Court  
(title)

March 5, 1999  
(date)

**JEFFERSON COUNTY, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 1998**

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the combined financial statements of the Board of County Commissioners of Jefferson County, Florida.
2. No instances of noncompliance material to the financial statements of the Board of County Commissioners of Jefferson County, Florida were disclosed during the audit.
3. The auditor's report on compliance for the major federal award programs for the Board of County Commissioners of Jefferson County, Florida expresses an unqualified opinion on all major federal programs.
4. There were no audit findings relative to the major federal award programs for the Board of County Commissioners of Jefferson County, Florida.
5. The programs tested as major programs included: 14.219 - Community Development Block Grants; 14.195 - Section 8.
6. The threshold for distinguishing Types A and B programs was \$300,000.
7. The Board of County Commissioners of Jefferson County, Florida was determined to be a low-risk auditee.

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**CLERK OF THE CIRCUIT COURT**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A.  
JOSEPH T. SCHENCK, C.P.A.  
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PUBLIC ACCOUNTANTS

December 17, 1998

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the combined balance sheet of the Clerk of the Circuit Court of Jefferson County, Florida as of September 30, 1998 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 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. 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, 1998, 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 generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 17, 1998 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.



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

**COMBINED BALANCE SHEET**

**September 30, 1998**

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ -	\$96,813	\$96,813
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$96,813</u>	<u>\$96,813</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Due to other governments	\$ -	\$63,200	\$63,200
Deposits held in escrow	<u>-</u>	<u>33,613</u>	<u>33,613</u>
Total liabilities	-	96,813	96,813
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$96,813</u>	<u>\$96,813</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, 1998**

	<u>SUSPENSE ACCOUNT</u>	<u>COURT REGISTRY</u>	<u>TAX REDEMPTION</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>				
Cash	\$82,400	\$12,934	\$1,479	\$96,813
Accounts receivable	-	-	-	-
Total assets	<u>\$82,400</u>	<u>\$12,934</u>	<u>\$1,479</u>	<u>\$96,813</u>
<b>LIABILITIES</b>				
Due to other governments	\$63,200	\$ -	\$ -	\$63,200
Deposits held in escrow	<u>19,200</u>	<u>12,934</u>	<u>1,479</u>	<u>33,613</u>
Total liabilities	<u>\$82,400</u>	<u>\$12,934</u>	<u>\$1,479</u>	<u>\$96,813</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, 1998**

	<b>GENERAL FUND</b>		
	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Revenues			
Clerk's fees	\$196,000	\$221,388	\$25,388
County appropriation	<u>172,768</u>	<u>172,768</u>	<u>-</u>
Total revenues	<u>368,768</u>	<u>394,156</u>	<u>25,388</u>
Expenditures			
Salary of official	69,283	69,283	-
Other salaries and benefits	253,628	234,462	19,166
Expenses other than salaries	43,183	47,866	(4,683)
Capital outlay	<u>3,659</u>	<u>30</u>	<u>3,629</u>
Total expenditures	<u>369,753</u>	<u>351,641</u>	<u>18,112</u>
Excess of revenues over (under) expenditures	<u>\$ (985)</u>	42,515	<u>\$43,500</u>
Fund balance - beginning of year		-	
Less: Amount reverting to Board of County Commissioners		<u>42,515</u>	
Fund balance - end of year		<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

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

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

**Year ended September 30, 1998**

	<b>AGENCY FUNDS</b>			
	<b>SUSPENSE ACCOUNT</b>	<b>COURT REGISTRY</b>	<b>TAX REDEMPTION</b>	<b>TOTALS (MEMORANDUM ONLY)</b>
<b>Receipts:</b>				
Collection of fines	\$ 402,847	\$ -	\$ -	\$ 402,847
Documentary and surtax stamps	312,473	-	-	312,473
Fees for services	198,068	-	-	198,068
Intangible taxes	65,921	-	-	65,921
Individual and child support	938,683	-	-	938,683
Deposits received	321,010	298,724	2,291	622,025
Interest earned	<u>-</u>	<u>556</u>	<u>-</u>	<u>556</u>
Total receipts	<u>2,239,002</u>	<u>299,280</u>	<u>2,291</u>	<u>2,540,573</u>
<b>Disbursements:</b>				
Disbursement of fines	377,031	-	-	377,031
Documentary and surtax stamps	312,504	-	-	312,504
Disbursement of fees	178,515	-	-	178,515
Disbursement of intan- gible taxes	65,921	-	-	65,921
Individual and child support	938,683	-	-	938,683
Deposits distributed	<u>391,318</u>	<u>298,650</u>	<u>812</u>	<u>690,780</u>
Total disbursements	<u>2,263,972</u>	<u>298,650</u>	<u>812</u>	<u>2,563,434</u>
Excess of receipts over (under) disbursements	(24,970)	630	1,479	(22,861)
Beginning cash balances	<u>107,370</u>	<u>12,304</u>	<u>-</u>	<u>119,674</u>
Ending cash balances	<u>\$ 82,400</u>	<u>\$ 12,934</u>	<u>\$ 1,479</u>	<u>\$ 96,813</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, 1998**

**NOTE 1 - REPORTING ENTITY**

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Fund Accounting (Concluded)**

■ **Governmental Fund:**

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

■ **Fiduciary Funds:**

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

**Measurement Focus**

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

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

**Basis of Accounting**

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Basis of Accounting** (Concluded)

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

**Budgetary Requirements**

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

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

**Fixed Assets**

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

**Memorandum Column**

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

**Encumbrances**

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

**NOTE 3 - CASH**

**Cash Deposits**

At September 30, 1998, the carrying amount of the Jefferson County Clerk's deposits was \$96,813 and the bank balance was \$200,585. 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 \$233,804. The total payroll for the year ended September 30, 1998 was \$234,479.

All eligible employees of the Jefferson County Clerk participate in the System. The System provides vesting of benefits after ten years (eight years for elected officials) of creditable service. Members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) ten years (eight years for elected officials) of service and age 62; or 3) twenty-five years special risk service (age 55 if not continuous). Early retirement may be taken any time after completing ten years of service (eight years for elected

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Pension Plan (Continued)**

officials); however, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age, average final compensation and service credit. Average final compensation is the average of the five highest years of earnings. The System also provides death and disability benefits. Benefits are established by Florida Statutes.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Jefferson County Clerk, are required to contribute 16.45% of the compensation for regular members and 27.93% for elected officials. During the year ended September 30, 1998, the Jefferson County Clerk contributed \$47,329 to the System for covered employees, which represents 19.93% of covered payroll.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other Public Employees Retirement Systems and employers.

The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation for the System as a whole, determined through an actuarial valuation performed as of June 30, 1997, was \$54.263 billion. (The June 30, 1998 actuarial valuation is not available.) The System's net assets available for benefits on that date valued at cost and market were \$49.531 and \$56.221 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$4.732 billion and \$-0-, respectively. They estimate that if certain actuarial assumptions are realized, based on current contributions, it will take approximately thirty years to liquidate this unfunded liability. The act which created the System provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the employers shall supplement the funds by an appropriation from current funds or from any revenue which may lawfully be used for such purposes. The Jefferson County Clerk's 1997-98 contribution represented less than 1% of the total contribution required by all participating entities.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Pension Plan (Concluded)**

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, 1997.



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

**CLERK OF THE CIRCUIT COURT**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

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

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

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

December 17, 1998

**MANAGEMENT LETTER**

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

We have audited the financial statements of the Jefferson County, Florida, Clerk of the Circuit Court, as of and for the fiscal year ended September 30, 1998, and have issued our report thereon dated December 17, 1998.

We have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated December 17, 1998. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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. 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)(e)1.) require that we comment as to whether or not inaccuracies, irregularities, shortages, defalcations, 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, and/or 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)(e)2.) 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)(e)3.), 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.

As required by the Rules of the Auditor General (Section 10.554 (1)(e)4.), we determined that the financial information for the Jefferson County, Florida, Clerk of the Circuit Court, for the fiscal year ended September 30, 1998, included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 1998.

As required by the Rules of the Auditor General (Section 10.554 (1)(e) 5), we determined that the Jefferson County, Florida, Clerk of the Circuit Court, complied with Section 28.24 (15)(d), Florida Statutes, regarding the collection and use of Public Records Modernization Trust Fund Moneys.

The Rules of the Auditor General (Sections 10.554 (1)(e) 6., 7., 8., 9.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on the internal control structure and compliance: recommendations to improve financial management, accounting procedures and internal controls; violations of laws, rules, regulations, and contractual provisions that: (1) have occurred, or are likely to have occurred; (2) were discovered within the scope of the financial audit; and (3) may or may not materially affect the financial statements; illegal or improper expenditures discovered within the scope of the financial audit which may or may not materially affect the annual 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, irregularities, shortages, and defalcations and instances of fraud and fraud related risk factors representing reportable conditions (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)(e) 6, 7, 8, 9).

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

*Bette Ragan, Schenck & Jones*

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

December 17, 1998

**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, 1998, and have issued our report thereon dated December 17, 1998. 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 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.

*Bette, Rogers, Albrecht, & Jones*

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**  
**SUPERVISOR OF ELECTIONS**  
**THE COUNTY OF JEFFERSON, FLORIDA**  
**SEPTEMBER 30, 1998**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A.  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
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November 24, 1998

**INDEPENDENT AUDITORS' REPORT**

The Board of County Commissioners  
and The Honorable Donna Sorensen Cocroft,  
Supervisor of Elections  
The County of Jefferson, Florida

We have audited the combined balance sheet of the Supervisor of Elections of Jefferson County, Florida, as of September 30, 1998 and the related statement of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balance of the agency fund for the year then ended. These financial statements are the responsibility of the Supervisor of Elections of Jefferson County, Florida. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the Supervisor of Elections of Jefferson County, Florida, as of September 30, 1998, 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 generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 24, 1998 on our consideration of the Jefferson County, Florida Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Betts, Rogers, Schenck & Jones*

The County of Jefferson, Florida  
Supervisor of Elections

COMBINED BALANCE SHEET

September 30, 1998

	<u>GENERAL FUND</u>	<u>AGENCY FUND (NOTE B)</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Due to other agency	\$ <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 accompanying notes are an integral part of this statement.



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

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

**Year ended September 30, 1998**

	<b>GENERAL FUND</b>		
	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Revenues			
County appropriation	\$133,723	\$133,413	\$ (310)
Interest earned	<u>          -</u>	<u>          310</u>	<u>          310</u>
Total revenues	<u>133,723</u>	<u>133,723</u>	<u>          -</u>
Expenditures			
Salary of official	56,645	56,645	-
Other salaries and benefits	37,968	37,580	388
Operating expenses	36,110	38,067	(1,957)
Capital outlay	<u>    3,000</u>	<u>    1,431</u>	<u>    1,569</u>
Total expenditures	<u>133,723</u>	<u>133,723</u>	<u>          -</u>
Excess of revenues over expenditures	\$ <u>          -</u>	-	\$ <u>          -</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>          -</u>	
Fund balance - end of year		\$ <u>          -</u>	

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida  
Supervisor of Elections

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

September 30, 1998

	<b><u>AGENCY FUND</u></b>
Receipts	
Candidate qualifying fees	\$ <u>4,813</u>
Disbursements	
Democratic Executive Committee	3,782
Division of Elections	1,006
Board of County Commissioners	<u>25</u>
Total disbursements	<u>4,813</u>
Excess of receipts over disbursements	-
Beginning cash balance	-
Ending cash balance	\$ <u>-</u>

The accompanying notes are an integral part of this statement.

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

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 1998**

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

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

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

**Fund Accounting**

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

**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, 1998**

**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, 1998**

**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, 1998, the carrying amount of the Jefferson County Supervisor's deposits was \$-0- and the bank balance was \$12,590. 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 \$70,587. The total payroll for the year ended September 30, 1998 was \$70,587.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

**NOTE 4 - EMPLOYEE BENEFITS**

**Pension Plan (Continued)**

All eligible employees of the Jefferson County Supervisor of Elections participate in the System. The System provides vesting of benefits after ten years (eight years for elected officials) of creditable service. Members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) ten years (eight years for elected officials) of service and age 62; or 3) twenty-five years special risk service (age 55 if not continuous). Early retirement may be taken any time after completing ten years of service (eight years for elected officials); 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 16.45% of the compensation for regular members and 27.93% for elected officials. During the years ended September 30, 1998, 1997 and 1996, the Jefferson County Supervisor of Elections contributed \$18,238, \$16,633 and \$18,963, respectively. These contributions represented 100% of the Supervisor's required contributions.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other Public Employees Retirement Systems and employers.

The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation for the System as a whole, determined through an actuarial valuation performed as of June 30, 1997, was \$54.263 billion. (The June 30, 1998 actuarial valuation is not currently available.) The System's net assets available for benefits on that date valued at cost and market were \$49.531 and \$56.221 billion, respectively, leaving

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Pension Plan (Continued)**

an unfunded pension obligation valued at cost and market of \$4.732 billion and \$-0-, respectively. They estimate that if certain actuarial assumptions are realized, based on current contributions, it will take approximately thirty years to liquidate this unfunded liability. The act which created the System provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the employers shall supplement the funds by an appropriation from current funds or from any revenue which may lawfully be used for such purposes. The Jefferson County Supervisor's 1997-98 contribution represented less than 1% of the total contribution required by all participating entities.

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, 1997.



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

**SUPERVISOR OF ELECTIONS**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

November 24, 1998

**MANAGEMENT LETTER**

Honorable Donna Sorensen Cocroft  
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, 1998, and have issued our report thereon dated November 24, 1998.

We have issued our Independent Auditor's Report on Internal Control and on Compliance With Laws and Regulations dated November 24, 1998. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with generally accepted auditing standards, 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)(e)1.) require that we comment as to whether or not inaccuracies, irregularities, shortages, defalcations, 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, and/or 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)(e)2.) 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)(e)3.), 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.

As required by the Rules of the Auditor General (Section 10.554 (1)(e)4.), we determined that the financial information for the Jefferson County, Florida, Supervisor of Elections, for the fiscal year ended September 30, 1998, included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 1998.

The Rules of the Auditor General (Sections 10.554 (1)(e) 6., 7., 8., 9.) require disclosure in the management letter of the following matters if not already addressed in the auditor's report on the internal control structure and compliance: recommendations to improve financial management, accounting procedures and internal controls; violations of laws, rules, regulations, and contractual provisions that: (1) have occurred, or are likely to have occurred; (2) were discovered within the scope of the financial audit; and (3) may or may not materially affect the financial statements; illegal or improper expenditures discovered within the scope of the financial audit which may or may not materially affect the annual 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, irregularities, shortages, and defalcations and instances of fraud and fraud related risk factors representing reportable conditions (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)(e) 6., 7., 8., 9).

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.

November 24, 1998

**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 Donna Sorenson Cocroft  
Supervisor of Elections  
Jefferson County, Florida

We have audited the financial statements of the Supervisor of Elections of Jefferson County, Florida as of and for the year ended September 30, 1998, and have issued our report thereon dated November 24, 1998. 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 Supervisor of Elections of Jefferson County, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

*Bette, Rogan, Schuch & Jones*

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**PROPERTY APPRAISER**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

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

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

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

November 16, 1998

**INDEPENDENT AUDITORS' REPORT**

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 Property Appraiser of Jefferson County, Florida, as of September 30, 1998 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 Property Appraiser 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 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. 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 Property Appraiser of Jefferson County, Florida, as of September 30, 1998, 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 generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 16, 1998 on our consideration of the Jefferson County, Florida Property Appraiser's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Betts, Rogers, Schenck & Jones*

The County of Jefferson, Florida  
Property Appraiser

COMBINED BALANCE SHEET

September 30, 1998

	<u>GENERAL FUND</u>	<u>AGENCY FUND (NOTE B)</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ <u>-</u>	\$ <u>0</u>	\$ <u>0</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Deposits held in escrow	\$ <u>-</u>	\$ <u>0</u>	\$ <u>0</u>
Total liabilities	-	0	0
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>-</u>	\$ <u>0</u>	\$ <u>0</u>

The accompanying notes are an integral part of this statement.



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

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

**Year ended September 30, 1998**

	<b>GENERAL FUND</b>		
	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Revenues			
County appropriation	\$284,317	\$284,317	\$ -
Interest earned	<u>          -</u>	<u>          597</u>	<u>          597</u>
Total revenues	<u>284,317</u>	<u>284,914</u>	<u>          597</u>
Expenditures			
Salary of official	69,283	69,283	-
Other salaries and benefits	134,653	134,297	356
Operating expenses	76,950	47,396	29,554
Capital outlay	<u>      3,431</u>	<u>      3,431</u>	<u>          -</u>
Total expenditures	<u>284,317</u>	<u>254,407</u>	<u>29,910</u>
Excess of revenues over expenditures	<u>\$          -</u>	30,507	<u>\$30,507</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>30,507</u>	
Fund balance - end of year		<u>\$          -</u>	

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida  
Property Appraiser

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE

Year ended September 30, 1998

	<u>AGENCY FUND</u>
Receipts	
Aerial print & map sales	\$1,608
Real property tag fees	159
Water Management District Commissions	<u>2,787</u>
Total receipts	4,554
Disbursements	
Board of County Commissioners	<u>4,650</u>
(Excess) of disbursements over receipts	(96)
Beginning cash balance	<u>96</u>
Ending cash balance	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

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

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 1998**

**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, 1998**

**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 appropriate resources. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.
- **Fiduciary Fund Types** - The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Basis of Accounting**

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

**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, 1998**

**NOTE 3 - CASH**

**Cash Deposits**

At September 30, 1998, the carrying amount of the Jefferson County Property Appraiser's deposits was \$0 and the bank balance was \$39,366. 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 \$157,143. The total payroll for the year ended September 30, 1998 was \$157,143.

All eligible employees of the Jefferson County Property Appraiser participate in the System. The System provides vesting of benefits after ten years (eight years for elected officials) of creditable service. Members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) ten years (eight years for elected officials) of service and age 62; or 3) twenty-five years special risk service (age 55 if not continuous). Early retirement may be taken any time after completing ten years of service (eight years for elected

**County of Jefferson, Florida  
Property Appraiser**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Pension Plan (Continued)**

officials); 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 Property Appraiser, are required to contribute 16.45% of the compensation for regular members and 27.93% for elected officials. During the years ended September 30, 1998, 1997 and 1996, the Jefferson County Property Appraiser contributed \$34,479, \$33,219 and \$30,518, respectively. These contributions represented 100% of the Property Appraiser's required contributions.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other Public Employees Retirement Systems and employers.

The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation for the System as a whole, determined through an actuarial valuation performed as of June 30, 1997, was \$54.263 billion. (The June 30, 1998 actuarial valuation is not currently available.) The System's net assets available for benefits on that date valued at cost and market were \$49.531 and \$56.221 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$4.732 billion and \$0, respectively. They estimate that if certain actuarial assumptions are realized, based on current contributions, it will take approximately thirty years to liquidate this unfunded liability. The act which created the System provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the employers shall supplement the funds by an appropriation from current funds or from any revenue which may lawfully be used for such purposes. The Jefferson County Property Appraiser's 1997-98 contribution represented less than 1% of the total contribution required by all participating entities.

The County of Jefferson, Florida  
Property Appraiser

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1998

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

**Pension Plan (Concluded)**

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, 1997.



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

**PROPERTY APPRAISER**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

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

November 16, 1998

**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, 1998, and have issued our report thereon dated November 16, 1998.

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 16, 1998. Disclosures in this report, if any, should be considered in conjunction with this management letter.

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. 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)(e)1.) require that we comment as to whether or not inaccuracies, irregularities, shortages, defalcations, 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, and/or 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)(e)2.) 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)(e)3.), 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.

As required by the Rules of the Auditor General (Section 10.554 (1)(e)4.), we determined that the financial information for the Jefferson County, Florida, Property Appraiser, for the fiscal year ended September 30, 1998, included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 1998.

The Rules of the Auditor General (Sections 10.554 (1)(e) 6., 7., 8., 9.) 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: (1) have occurred, or are likely to have occurred; (2) were discovered within the scope of the financial audit; and (3) may or may not materially affect the financial statements; illegal or improper expenditures discovered within the scope of the financial audit which may or may not materially affect the annual 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, irregularities, shortages, and defalcations and instances of fraud and fraud related risk factors representing reportable conditions (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)(e) 6., 7., 8., 9).

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

*Betta, Ruyon, Schuch, & Jones*

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**BETTS, ROGERS, SCHENCK & JONES**  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL ASSOCIATION  
November 16, 1998

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

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

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

We have audited the financial statements of the Property Appraiser of Jefferson County, Florida as of and for the year ended September 30, 1998, and have issued our report thereon dated November 16, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

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

*Bette, Roger, Scheuch, & Jones*

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**TAX COLLECTOR**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

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

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

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

November 18, 1998

**INDEPENDENT AUDITORS' REPORT**

The Board of County Commissioners  
and the Honorable Frances H. Walker,  
Tax Collector  
The County of Jefferson, Florida

We have audited the combined balance sheet of the Tax Collector of Jefferson County, Florida, as of September 30, 1998, and the related statements of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balances of the agency funds for the year then ended. These financial statements are the responsibility of the Tax Collector of Jefferson County, Florida. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Tax Collector of Jefferson County, Florida, as of September 30, 1998, 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 generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 18, 1998 on our consideration of the Jefferson County, Florida Tax Collector's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



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

**COMBINED BALANCE SHEET**

**September 30, 1998**

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$ -	\$63,595	\$63,595
Due from individuals	<u>-</u>	<u>1,549</u>	<u>1,549</u>
Total assets	<u>\$-</u>	<u>\$65,144</u>	<u>\$65,144</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Due to other agencies	\$ -	\$64,994	\$64,994
Deposits held in escrow	<u>-</u>	<u>150</u>	<u>150</u>
Total liabilities	-	65,144	65,144
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$-</u>	<u>\$65,144</u>	<u>\$65,144</u>

The accompanying notes are an integral part of this statement.



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

**COMBINING BALANCE SHEET - ALL AGENCY FUNDS**

**September 30, 1998**

	<u>TAX ACCOUNT</u>	<u>TAG ACCOUNT</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>			
Cash	\$64,311	\$ (716)	\$63,595
Due from individuals	<u>      -</u>	<u>  1,549</u>	<u>  1,549</u>
Total assets	<u>\$64,311</u>	<u>\$  833</u>	<u>\$65,144</u>
 <b>LIABILITIES</b>			
Due to other agencies	\$64,311	\$  683	\$64,994
Deposits held in escrow	<u>      -</u>	<u>  150</u>	<u>  150</u>
Total liabilities	<u>\$64,311</u>	<u>\$  833</u>	<u>\$65,144</u>

The accompanying notes are an integral part of this statement.

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

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

**Year ended September 30, 1998**

	<b>GENERAL FUND</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE FAVORABLE (UNFAVORABLE)</b>
Revenues			
County appropriation	\$296,524	\$276,524	\$(20,000)
Fees and other	<u>          -</u>	<u>447,672</u>	<u>447,672</u>
Total revenues	<u>296,524</u>	<u>724,196</u>	<u>427,672</u>
Expenditures			
Personal services	247,122	247,122	-
Operating expenses	49,402	49,169	233
Capital outlay	<u>          -</u>	<u>          -</u>	<u>          -</u>
Total expenditures	<u>296,524</u>	<u>296,291</u>	<u>233</u>
Excess of revenues over expenditures	<u>\$          -</u>	427,905	<u>\$427,905</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>427,905</u>	
Fund balance - end of year		<u>\$          -</u>	

The accompanying notes are an integral part of this statement.

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

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

**Year ended September 30, 1998**

	<b>AGENCY FUNDS</b>		<b>TOTALS</b>
	<b><u>TAX</u></b>	<b><u>TAG</u></b>	<b>(MEMORANDUM</b>
	<b><u>ACCOUNT</u></b>	<b><u>ACCOUNT</u></b>	<b><u>ONLY</u>)</b>
Receipts			
Real and personal property taxes	\$5,758,659	\$ -	\$ 5,758,659
Special assessments	741	-	741
Tax certificates redeemed	311,080	-	311,080
Other	157,729	15,244	172,973
Motor vehicle tags and titles	-	3,550,145	3,550,145
Boat titles and registrations	-	11,033	11,033
Sales tax	-	1,132,521	1,132,521
Hunting and fishing licenses	-	57,978	57,978
Driver licenses	-	58,942	58,942
Interest	<u>6,433</u>	<u>-</u>	<u>6,433</u>
Total receipts	<u>6,234,642</u>	<u>4,825,863</u>	<u>11,060,505</u>
Disbursements:			
Disbursement of real and personal property taxes	5,758,659	-	5,758,659
State of Florida	-	4,812,753	4,812,753
Proceeds-tax certificates redeemed	327,411	-	327,411
Special assessments	741	-	741
Other	156,734	18,569	175,303
Interest	<u>6,433</u>	<u>-</u>	<u>6,433</u>
Total disbursements	<u>6,249,978</u>	<u>4,831,322</u>	<u>11,081,300</u>
Excess of receipts over (under) disbursements	(15,336)	(5,459)	(20,795)
Beginning cash balances	<u>79,647</u>	<u>4,743</u>	<u>84,390</u>
Ending cash balances	<u>\$ 64,311</u>	<u>\$ (716)</u>	<u>\$ 63,595</u>

The accompanying notes are an integral part of this statement.

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

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 1998**

**NOTE 1 - REPORTING ENTITY**

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

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

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

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

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

**Fund Accounting**

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

**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, 1998**

**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, 1998**

**NOTE 3 - CASH**

**Cash Deposits**

At September 30, 1998, the carrying amount of the Jefferson County Tax Collector's deposits was \$63,445 and the bank balance was \$581,520. 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 employees covered by the System was \$176,985. The total payroll for the year ended September 30, 1998 was \$186,338.

All eligible employees of the Jefferson County Tax Collector participate in the System. The System provides vesting of benefits after ten years (eight years for elected officials) of creditable service. Members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) ten years (eight years for elected officials) of service and age 62; or 3) twenty-five years special risk service (age 55 if not continuous). Early retirement may be taken any time after completing ten years of service (eight years for elected

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Pension Plan (Continued)**

officials); 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 Tax Collector, are required to contribute 16.45% of the compensation for regular members and 27.93% for elected officials. During the years ended September 30, 1998, 1997 and 1996, the Jefferson County Tax Collector contributed \$38,835, \$32,866 and \$29,341, respectively. These contributions represented 100% of the Tax Collector's required contributions.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other Public Employees Retirement Systems and employers.

The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation for the System as a whole, determined through an actuarial valuation performed as of June 30, 1997, was \$54.263 billion. (The June 30, 1998 actuarial valuation is not currently available.) The System's net assets available for benefits on that date valued at cost and market were \$49.531 and \$56.221 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$4.732 and \$0, respectively. They estimate that if certain actuarial assumptions are realized, based on current contributions, it will take approximately thirty years to liquidate this unfunded liability. The act which created the System provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the employers shall supplement the funds by an appropriation from current funds or from any revenue which may lawfully be used for such purposes. The Jefferson County Tax Collector's 1997-98 contribution represented less than 1% of the total contribution required by all participating entities.



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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Pension Plan (Concluded)**

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, 1997.

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

**TAX COLLECTOR**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A.  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
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**BETTS, ROGERS, SCHENCK & JONES**  
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AMERICAN INSTITUTE OF CERTIFIED  
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FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

November 18, 1998

**MANAGEMENT LETTER**

Honorable Frances H. Walker  
Tax Collector  
Jefferson County, Florida

We have audited the financial statements of the Jefferson County, Florida, Tax Collector, as of and for the fiscal year ended September 30, 1998, and have issued our report thereon dated November 18, 1998.

We have issued our Independent Auditor's Report on Internal Control and on Compliance With Laws and Regulations dated November 18, 1998. Disclosures in that report, if any, should be considered in conjunction with this management letter.

We conducted our audit in accordance with generally accepted auditing standards, 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)(e)1.) require that we comment as to whether or not inaccuracies, irregularities, shortages, defalcations, 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, and/or 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)(e)2.) 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)(e)3.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida, Tax Collector, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554 (1)(e)4.), we determined that the financial information for the Jefferson County, Florida, Tax Collector, for the fiscal year ended September 30, 1998, included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 1998.

The Rules of the Auditor General (Sections 10.554 (1)(e) 6., 7., 8., 9.) 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: (1) have occurred, or are likely to have occurred; (2) were discovered within the scope of the financial audit; and (3) may or may not materially affect the financial statements; illegal or improper expenditures discovered within the scope of the financial audit which may or may not materially affect the annual 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, irregularities, shortages, and defalcations and instances of fraud and fraud related risk factors representing reportable conditions (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)(e) 6., 7., 8., 9).

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

*Betts, Ragan, Schuch & Jones*

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A.  
JOSEPH T. SCHENCK, C.P.A.  
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**BETTS, ROGERS, SCHENCK & JONES**  
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PROFESSIONAL ASSOCIATION

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FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

November 18, 1998

**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 Frances H. Walker  
Tax Collector  
Jefferson County, Florida

We have audited the financial statements of the Tax Collector of Jefferson County, Florida as of and for the year ended September 30, 1998, and have issued our report thereon dated November 18, 1998. 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 Tax Collector of Jefferson County, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

This report is intended for the information of the 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.

*Beth Rogier, Scheuch, & Jones*

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT**

**SHERIFF**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

BEN F. BETTS, JR., C.P.A.  
EDGAR A. ROGERS, JR., C.P.A.  
JOSEPH T. SCHENCK, C.P.A.  
MARK J. JONES, C.P.A.  
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**BETTS, ROGERS, SCHENCK & JONES**  
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AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 3, 1998

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the combined balance sheet of the Sheriff of Jefferson County, Florida, as of September 30, 1998, and the related statements of revenues, expenditures and changes in fund balance of the general fund and cash receipts, disbursements and balances of the agency funds for the year then ended. These financial statements are the responsibility of the Sheriff of Jefferson County, Florida. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sheriff of Jefferson County, Florida, as of September 30, 1998, 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 generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 1998 on our consideration of the Jefferson County, Florida Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Betts, Rogers, Schenck & Jones*



**The County of Jefferson, Florida  
Sheriff**

**COMBINED BALANCE SHEET**

**September 30, 1998**

	<b><u>GENERAL FUND</u></b>	<b><u>AGENCY FUNDS</u></b>	<b><u>GENERAL FIXED ASSETS</u></b>	<b><u>TOTALS (MEMORANDUM ONLY)</u></b>
<b>ASSETS</b>				
Cash	\$ 6,738	\$ 35,590	\$ -	\$ 42,328
Transportation equipment	-	-	470,922	470,922
Furniture and other equipment	<u>-</u>	<u>-</u>	<u>545,174</u>	<u>545,174</u>
Total assets	<u>\$ 6,738</u>	<u>\$35,590</u>	<u>\$1,016,096</u>	<u>\$1,058,424</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Deposits held in escrow	\$ -	\$35,590	\$ -	\$ 35,590
Due to other agencies	<u>6,738</u>	<u>-</u>	<u>-</u>	<u>6,738</u>
Total liabilities	6,738	35,590	-	42,328
Fund balances				
Investment in general fixed assets	<u>-</u>	<u>-</u>	<u>1,016,096</u>	<u>1,016,096</u>
Total liabilities and fund balances	<u>\$ 6,738</u>	<u>\$35,590</u>	<u>\$1,016,096</u>	<u>\$1,058,424</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida  
Sheriff

COMBINING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 1998

	<u>INDIVIDUAL DEPOSITORS</u>	<u>APPEARANCE BOND</u>	<u>PRISONERS WELFARE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b>ASSETS</b>				
Cash	\$ <u>0</u>	\$ <u>4,650</u>	\$ <u>30,940</u>	\$ <u>35,590</u>
<b>LIABILITIES</b>				
Deposits held in escrow	\$ <u>0</u>	\$ <u>4,650</u>	\$ <u>30,940</u>	\$ <u>35,590</u>
Total liabilities	\$ <u>0</u>	\$ <u>4,650</u>	\$ <u>30,940</u>	\$ <u>35,590</u>

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida  
Sheriff**

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

**Year ended September 30, 1998**

	<b>GENERAL FUND</b>		
	<b><u>BUDGET</u></b>	<b><u>ACTUAL</u></b>	<b><u>VARIANCE FAVORABLE (UNFAVORABLE)</u></b>
<b>Revenues</b>			
County appropriation	\$1,593,810	\$1,593,810	\$ -
County appropriation - reserve unit	10,000	10,000	-
Interest earned	<u>-</u>	<u>5,484</u>	<u>5,484</u>
<b>Total revenues</b>	<b><u>1,603,810</u></b>	<b><u>1,609,294</u></b>	<b><u>5,484</u></b>
<b>Expenditures</b>			
Personal services	1,205,467	1,108,298	97,169
Operating expenses	298,510	260,740	37,770
Operating expenses - reserve unit	10,000	10,000	-
Capital Outlay	<u>89,833</u>	<u>32,252</u>	<u>57,581</u>
<b>Total expenditures</b>	<b><u>1,603,810</u></b>	<b><u>1,411,290</u></b>	<b><u>192,520</u></b>
Excess of revenues over expenditures	<u>\$ -</u>	198,004	<u>\$198,004</u>
Fund balances - beginning of year		-	
Less: Amount reverting to Board of County Commissioners		<u>198,004</u>	
Fund balance - end of year		<u>\$ -</u>	

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida  
Sheriff**

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

**Year ended September 30, 1998**

AGENCY FUNDS

	<u>INDIVIDUAL DEPOSITORS</u>	<u>APPEARANCE BOND</u>	<u>PRISONERS WORK RELEASE</u>	<u>PRISONERS WELFARE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
Receipts:					
Deposits received	\$10,171	\$ -	\$390	\$ 11,928	\$ 22,489
Cash appearance bonds	<u>-</u>	<u>219,113</u>	<u>-</u>	<u>-</u>	<u>219,113</u>
Total receipts	<u>10,171</u>	<u>219,113</u>	<u>390</u>	<u>11,928</u>	<u>241,602</u>
Disbursements:					
Disbursed to:					
Board of County Commissioners	10,240	-	390	-	10,630
Clerk of the Circuit Court	-	8,697	-	-	8,697
Others	<u>51</u>	<u>211,151</u>	<u>-</u>	<u>159</u>	<u>211,361</u>
Total disbursements	<u>10,291</u>	<u>219,848</u>	<u>390</u>	<u>159</u>	<u>230,688</u>
Excess of receipts over (under) disbursements	(120)	( 735)	-	11,769	10,914
Beginning cash balances	<u>120</u>	<u>5,385</u>	<u>-</u>	<u>19,171</u>	<u>24,676</u>
Ending cash balances	<u>\$ 0</u>	<u>\$ 4,650</u>	<u>\$ -</u>	<u>\$30,940</u>	<u>\$ 35,590</u>

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida  
Sheriff**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 1998**

**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, 1998**

**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, 1998**

**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 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  
Sheriff**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

**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, 1998, the carrying amount of the Jefferson County Sheriff's deposits was \$42,328 and the bank balance was \$371,843. 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 \$840,534. The total payroll for the year ended September 30, 1998 was \$840,534.



**The County of Jefferson, Florida  
Sheriff**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

All eligible employees of the Jefferson County Sheriff participate in the System. The System provides vesting of benefits after ten years (eight years for elected officials) of creditable service. Members are eligible for normal retirement after they have met one of the following: 1) after thirty years of service, regardless of age; 2) ten years (eight years for elected officials) of service and age 62; or 3) twenty-five years special risk service (age 55 if not continuous). Early retirement may be taken any time after completing ten years of service (eight years for elected officials); 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 16.45% of the compensation for regular members, 25.32% for high risk employees, and 27.93% for elected officials. During the year ended September 30, 1998, the Jefferson County Sheriff contributed \$207,243 to the System for covered employees, which represents 23.80% of covered payroll.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other Public Employees Retirement Systems and employers.

The System does not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation for the System as a whole, determined through an actuarial valuation performed as of June 30, 1997, was \$54.263 billion. (The June 30, 1998 actuarial valuation is not currently available.) The System's net assets available for benefits on that date valued at cost and market were \$49.531 and \$56.221 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$4.732 billion and \$-0-, respectively. They estimate that if certain actuarial assumptions are realized, based on current contributions, it will take approximately thirty years to liquidate this unfunded liability. The act

**The County of Jefferson, Florida  
Sheriff**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 1998**

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

**Pension Plan** (Continued)

which created the System provides that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the employers shall supplement the funds by an appropriation from current funds or from any revenue which may lawfully be used for such purposes. The Jefferson County Sheriff's 1997-98 contribution represented less than 1% of the total contribution required by all participating entities.

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, 1997.

**NOTE 5 - GENERAL FIXED ASSETS**

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

	<b>Balance Sept. 30 <u>1997</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance Sept. 30 <u>1998</u></b>
Transportation equipment	\$536,059	\$ 62,546	\$ 127,683	\$ 470,922
Furniture and other equipment	<u>498,715</u>	<u>61,006</u>	<u>14,547</u>	<u>545,174</u>
	<u>\$1,034,774</u>	<u>\$123,552</u>	<u>\$142,230</u>	<u>\$1,016,096</u>

Anti-Drug Abuse Grant funds used to purchase equipment during the current year were \$33,902 and total purchases from Grant funds through September 30, 1998 were \$163,736.

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

**SHERIFF**

**THE COUNTY OF JEFFERSON, FLORIDA**

**SEPTEMBER 30, 1998**

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

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

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

December 3, 1998

**MANAGEMENT LETTER**

Honorable Kenneth W. Fortune  
Sheriff  
Jefferson County, Florida

We have audited the financial statements of the Jefferson County, Florida, Sheriff, as of and for the fiscal year ended September 30, 1998, and have issued our report thereon dated December 3, 1998.

We have issued our Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated December 3, 1998. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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. 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)(e)1.) require that we comment as to whether or not inaccuracies, irregularities, shortages, defalcations, 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, and/or 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)(e)2.) 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)(e)3.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County,

Florida, Sheriff, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554 (1)(e)4.), we determined that the financial information for the Jefferson County, Florida, Sheriff, for the fiscal year ended September 30, 1998, included in the combined Jefferson County financial report filed with the Department of Banking Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 1998.

The Rules of the Auditor General (Sections 10.554 (1)(e) 6., 7., 8., 9.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on the internal control structure and compliance: recommendations to improve financial management, accounting procedures and internal controls; violations of laws, rules, regulations, and contractual provisions that: (1) have occurred, or are likely to have occurred; (2) were discovered within the scope of the financial audit; and (3) may or may not materially affect the financial statements; illegal or improper expenditures discovered within the scope of the financial audit which may or may not materially affect the annual 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, irregularities, shortages, and defalcations and instances of fraud and fraud related risk factors representing reportable conditions (see Statement on Auditing Standards No. 82) discovered by or that come to the attention of, the auditor. Our audit disclosed one matter required to be disclosed by Rules of the Auditor General (Sections 10.554(1)(e)6,7,8,9). Section 932.7055 (8)(a), Florida Statutes, requires "Any law enforcement agency receiving or expending forfeited property or proceeds from the sale of forfeited property in accordance with the Florida Contraband Forfeiture Act shall submit completed semiannual reports by April 10 and October 10...". The Sheriff filed the report due April 10, 1998 in June of 1998 and, as of the date of this report, has not filed his report due October 10, 1998.

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

*Beth, Roger, Schuch & Jones*

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

December 3, 1998

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

To the Honorable Kenneth W. Fortune  
Sheriff  
Jefferson County, Florida

We have audited the financial statements of the Sheriff of Jefferson County, Florida as of and for the year ended September 30, 1998, and have issued our report thereon dated December 3, 1998. 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 Sheriff of Jefferson County, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we did note certain immaterial instances of noncompliance that we have reported to the Sheriff in a separate letter dated December 3, 1998.

Internal Control Over Financial Reporting

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

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

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

*Beth, Roger, Schuck & Jones*