

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

SEPTEMBER 30, 1997

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

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

January 8, 1998

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, 1997, 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 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 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, 1997, 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 January 8, 1998, 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, 1997

GOVERNMENTAL FUND TYPES

ASSETS	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>
Cash	\$ 122,507	\$ 745,510	\$ -	\$ -
Investments (Note B)	735,909	253,949	1,727,102	267,120
Accounts receivable (Note C)	234,107	-	-	-
Accrued interest receivable	4,086	1,272	8,999	-
Due from other governments	312,169	299,025	-	-
Due from other agencies	-	2,891	-	-
Due from other funds (Note I)	-	1,232,733	-	-
Inventory of supplies (Note D)	-	142,612	-	-
Fixed assets (Note K)	-	-	-	-
Amounts to be provided	-	-	-	-
Total assets	<u>\$1,408,778</u>	<u>\$2,677,992</u>	<u>\$1,736,101</u>	<u>\$267,120</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Notes payable (Note E)	\$ -	\$ -	\$ -	\$ -
Installment purchase obligations (Note E)	-	-	-	-
Accounts payable	60,309	124,763	5,865	-
Due to other governments	-	1,145	-	-
Due to other agencies	-	-	-	-
Due to other funds (Note I)	212,795	564,108	446,046	9,784
Deposits held in escrow	4,840	-	-	-
Revenues collected in advance	1,984	200,000	-	-
Contingencies (Note F)	-	-	-	-
Total liabilities	<u>279,928</u>	<u>890,016</u>	<u>451,911</u>	<u>9,784</u>
Fund equity				
Investment in general fixed assets	-	-	-	-
General fixed assets acquired by gift	-	-	-	-
Fund balances				
Reserved (Note M)	-	283,890	1,284,190	257,336
Unreserved - Undesignated	<u>1,128,850</u>	<u>1,504,086</u>	<u>-</u>	<u>-</u>
Total fund equity	<u>1,128,850</u>	<u>1,787,976</u>	<u>1,284,190</u>	<u>257,336</u>
Total liabilities and fund equity	<u>\$1,408,778</u>	<u>\$2,677,992</u>	<u>\$1,736,101</u>	<u>\$267,120</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, 1997

	FIDUCIARY	ACCOUNT GROUP		TOTAL
	FUND TYPES	GENERAL	GENERAL	(Note G)
	AGENCY	FIXED ASSETS	LONG-TERM DEBT	(MEMORANDUM ONLY)
ASSETS				
Cash	\$228,836	\$ -	\$ -	\$ 1,096,853
Investments (Note B)	-	-	-	2,984,080
Accounts receivable (Note C)	343	-	-	234,450
Accrued interest receivable	-	-	-	14,357
Due from other governments	-	-	-	611,194
Due from other agencies	1,986	-	-	4,877
Due from other funds (Note I)	-	-	-	1,232,733
Inventory of supplies (Note D)	-	-	-	142,612
Fixed assets (Note K)	-	10,013,676	-	10,013,676
Amounts to be provided	-	-	1,291,359	1,291,359
Total assets	<u>\$231,165</u>	<u>\$10,013,676</u>	<u>\$1,291,359</u>	<u>\$17,626,191</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Note payable (Note E)	\$ -	\$ -	\$ 979,122	\$ 979,122
Installment purchase obligations (Note E)	-	-	312,237	312,237
Accounts payable	-	-	-	190,937
Due to other governments	93,945	-	-	95,090
Due to other agencies	86,226	-	-	86,226
Due to other funds (Note I)	-	-	-	1,232,733
Deposits held in escrow	50,994	-	-	55,834
Revenues collected in advance	-	-	-	201,984
Contingencies (Note F)	-	-	-	-
Total liabilities	<u>231,165</u>	<u>-</u>	<u>1,291,359</u>	<u>3,154,163</u>
Fund equity				
Investment in general fixed assets	-	8,724,967	-	8,724,967
General fixed assets acquired by gift	-	1,288,709	-	1,288,709
Fund balances				
Reserved (Note M)	-	-	-	1,825,416
Unreserved - Undesignated	-	-	-	2,632,936
Total fund equity	<u>-</u>	<u>10,013,676</u>	<u>-</u>	<u>14,472,028</u>
Total liabilities and fund equity	<u>\$231,165</u>	<u>\$10,013,676</u>	<u>\$1,291,359</u>	<u>\$17,626,191</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
 ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 1997

	<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	\$1,171,687	\$1,857,008	\$ -	\$294,779	\$3,323,474
Taxes	1,774,333	1,682,044	-	-	3,456,377
Fines and costs	-	316,520	-	-	316,520
Charges for services	726,093	49,713	-	-	775,806
Licenses and permits	153,937	-	-	-	153,937
Miscellaneous revenues	163,981	919,715	106,319	9,863	1,199,878
Total revenues	<u>3,990,031</u>	<u>4,825,000</u>	<u>106,319</u>	<u>304,642</u>	<u>9,225,992</u>
Expenditures					
General government	1,218,498	164,230	-	-	1,382,728
Public safety	1,059,544	1,974,728	-	-	3,034,272
Transportation	-	1,301,390	260,873	-	1,562,263
Physical environment	266,007	996,477	218,850	-	1,481,334
Economic environment	1,255	778,917	-	-	780,172
Human services	184,247	-	-	-	184,247
Culture and recreation	213,689	-	-	-	213,689
Debt service	<u>24,817</u>	<u>135,084</u>	<u>-</u>	<u>550,782</u>	<u>710,683</u>
Total expenditures	<u>2,968,057</u>	<u>5,350,826</u>	<u>479,723</u>	<u>550,782</u>	<u>9,349,388</u>
Excess of revenues over (under) expenditures	1,021,974	(525,826)	(373,404)	(246,140)	(123,396)
Other financing sources (uses)					
Operating transfers in	36,692	955,869	-	240,000	1,232,561
Operating transfers (out)	<u>(608,062)</u>	<u>(624,499)</u>	<u>-</u>	<u>-</u>	<u>(1,232,561)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	450,604	(194,456)	(373,404)	(6,140)	(123,396)
Fund balances - beginning of year	678,246	1,869,627	1,657,594	263,476	4,468,943
Correction of prior year error (Note P)	-	112,805	-	-	112,805
Fund balances - end of year	<u>\$1,128,850</u>	<u>\$1,787,976</u>	<u>\$1,284,190</u>	<u>\$257,336</u>	<u>\$4,458,352</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, 1997

	GENERAL			SPECIAL REVENUE		
		FAVORABLE	VARIANCE		FAVORABLE	VARIANCE
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
Revenues						
Intergovernmental revenues	\$1,058,588	\$1,171,687	\$ 113,099	\$2,838,566	\$1,857,008	\$ (981,558)
Taxes	1,822,080	1,774,333	(47,747)	1,724,441	1,682,044	(42,397)
Fines and costs	-	-	-	247,800	316,520	68,720
Charges for services	302,597	726,093	423,496	45,000	49,713	4,713
Licenses and permits	169,200	153,937	(15,263)	-	-	-
Miscellaneous revenues	165,977	163,981	(1,996)	819,500	919,715	100,215
Total revenues	<u>3,518,442</u>	<u>3,990,031</u>	<u>471,589</u>	<u>5,675,307</u>	<u>4,825,000</u>	<u>(850,307)</u>
Expenditures						
General government	1,425,839	1,231,711	194,128	164,687	164,230	457
Public safety	951,159	1,071,148	(119,989)	2,052,432	1,974,728	77,704
Transportation	-	-	-	1,392,974	1,388,373	4,601
Physical environment	254,023	266,007	(11,984)	1,503,494	1,044,578	458,916
Economic environment	1,675	1,255	420	1,948,211	778,917	1,169,294
Human services	215,913	184,247	31,666	-	-	-
Culture and recreation	198,032	213,689	(15,657)	-	-	-
Total expenditures	<u>3,046,641</u>	<u>2,968,057</u>	<u>78,584</u>	<u>7,061,798</u>	<u>5,350,826</u>	<u>1,710,972</u>
Excess of revenues over (under) expenditures	471,801	1,021,974	550,173	(1,386,491)	(525,826)	860,665
Other financing sources (uses)						
Budgeted transfers in	36,692	36,692	-	978,549	955,869	(22,680)
Budgeted transfers (out)	(630,742)	(608,062)	22,680	(624,499)	(624,499)	-
Bond proceeds	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(122,249)	450,604	572,853	(1,032,441)	(194,456)	837,985
Fund balances - beginning of year	678,246	678,246	-	1,869,627	1,869,627	-
Correction of prior year error (Note P)	-	-	-	112,805	112,805	-
Fund balances - end of year	<u>\$ 555,997</u>	<u>\$1,128,850</u>	<u>\$ 572,853</u>	<u>\$ 949,991</u>	<u>\$1,787,976</u>	<u>\$ 837,985</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, 1997

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$1,058,588	\$1,171,687	\$ 113,099	\$2,838,566	\$1,857,008	\$ (981,558)
Taxes	1,822,080	1,774,333	(47,747)	1,724,441	1,682,044	(42,397)
Fines and costs	-	-	-	247,800	316,520	68,720
Charges for services	302,597	726,093	423,496	45,000	49,713	4,713
Licenses and permits	169,200	153,937	(15,263)	-	-	-
Miscellaneous revenues	165,977	163,981	(1,996)	819,500	919,715	100,215
Total revenues	<u>3,518,442</u>	<u>3,990,031</u>	<u>471,589</u>	<u>5,675,307</u>	<u>4,825,000</u>	<u>(850,307)</u>
Expenditures						
General government	1,425,839	1,231,711	194,128	164,687	164,230	457
Public safety	951,159	1,071,148	(119,989)	2,052,432	1,974,728	77,704
Transportation	-	-	-	1,392,974	1,388,373	4,601
Physical environment	254,023	266,007	(11,984)	1,503,494	1,044,578	458,916
Economic environment	1,675	1,255	420	1,948,211	778,917	1,169,294
Human services	215,913	184,247	31,666	-	-	-
Culture and recreation	198,032	213,689	(15,657)	-	-	-
Total expenditures	<u>3,046,641</u>	<u>2,968,057</u>	<u>78,584</u>	<u>7,061,798</u>	<u>5,350,826</u>	<u>1,710,972</u>
Excess of revenues over (under) expenditures	471,801	1,021,974	550,173	(1,386,491)	(525,826)	860,665
Other financing sources (uses)						
Budgeted transfers in	36,692	36,692	-	978,549	955,869	(22,680)
Budgeted transfers (out)	(630,742)	(608,062)	22,680	(624,499)	(624,499)	-
Bond proceeds	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(122,249)	450,604	572,853	(1,032,441)	(194,456)	837,985
Fund balances - beginning of year	678,246	678,246	-	1,869,627	1,869,627	-
Correction of prior year error (Note P)	-	-	-	112,805	112,805	-
Fund balances - end of year	<u>\$ 555,997</u>	<u>\$1,128,850</u>	<u>\$ 572,853</u>	<u>\$ 949,991</u>	<u>\$1,787,976</u>	<u>\$ 837,985</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, 1997

	CAPITAL PROJECTS			DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 318,150	\$ 294,779	\$ (23,371)
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	-	106,319	106,319	-	9,863	9,863
Total revenues	-	106,319	106,319	318,150	304,642	(13,508)
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	1,500,000	260,873	1,239,127	-	-	-
Physical environment	-	218,850	(218,850)	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	557,243	550,782	6,461
Total expenditures	1,500,000	479,723	1,020,277	557,243	550,782	6,461
Excess of revenues over (under) expenditures	(1,500,000)	(373,404)	1,126,596	(239,093)	(246,140)	(7,047)
Other financing sources (uses)						
Budgeted transfers in	-	-	-	240,000	240,000	-
Budgeted transfers (out)	-	-	-	-	-	-
Bond proceeds	1,500,000	-	(1,500,000)	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	(373,404)	(373,404)	907	(6,140)	(7,047)
Fund balances - beginning of year	-	-	-	-	-	-
Correction of prior year error (Note P)	1,657,594	1,657,594	-	263,476	263,476	-
Fund balances - end of year	\$1,657,594	\$1,284,190	\$ (373,404)	\$ 264,383	\$ 257,336	\$ (7,047)

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, 1997

TOTALS (MEMORANDUM ONLY)			
(NOTE G)			
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$ 4,215,304	\$ 3,323,474	\$ (891,830)
Taxes	3,546,521	3,456,377	(90,144)
Fines and costs	247,800	316,520	68,720
Charges for services	347,597	775,806	428,209
Licenses and permits	169,200	153,937	(15,263)
Miscellaneous revenues	<u>985,477</u>	<u>1,199,878</u>	<u>214,401</u>
Total revenues	<u>9,511,899</u>	<u>9,225,992</u>	<u>(285,907)</u>
Expenditures			
General government	1,590,526	1,395,941	194,585
Public safety	3,003,591	3,045,876	(42,285)
Transportation	2,892,974	1,649,246	1,243,728
Physical environment	1,757,517	1,529,435	228,082
Economic environment	1,949,886	780,172	1,169,714
Human services	215,913	184,247	31,666
Culture and recreation	198,032	213,689	(15,657)
Debt service	<u>557,243</u>	<u>550,782</u>	<u>6,461</u>
Total expenditures	<u>12,165,682</u>	<u>9,349,388</u>	<u>2,816,294</u>
Excess of revenues over (under) expenditures	(2,653,783)	(123,396)	2,530,387
Other financing sources (uses)			
Budgeted transfers in	1,255,241	1,232,561	(22,680)
Budgeted transfers (out)	(1,255,241)	(1,232,561)	22,680
Bond proceeds	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	(1,153,783)	(123,396)	1,030,387

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, 1997

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Fund balances - beginning of year	4,468,943	4,468,943	-
Correction of prior year error (Note P)	<u>112,805</u>	<u>112,805</u>	<u>-</u>
Fund balances - end of year	<u>\$3,427,965</u>	<u>\$4,458,352</u>	<u>\$1,030,387</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 1997

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 1996 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, 1997

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, 1997

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, 1997

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, 1997

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 \$1,096,853 and the bank balances were \$1,936,741 at September 30, 1997. 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, 1997 and no further allowance is considered necessary. Bad debt expense for the year was \$210,345.

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, 1997

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 and final maturity is February 8, 1999. 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 (7.41% at September 30, 1997). Principal balance was \$370,000 on September 30, 1997.

County entered into a \$1,000,000 Local Option Gas Tax Revenue Note Agreement on October 7, 1994. The County borrowed \$1,000,000 from Capital City Bank. The note is to be repaid in twelve (12) equal semi-annual installments of \$83,333 each on the 7th day of each October and April, commencing April 7, 1995. Interest is payable on the same dates at a fixed rate of 5.45% per annum on the unpaid principal. The note matures on October 7, 2000 and is payable solely from the Local Option Gas Tax pledged to secure the Note in the Loan Agreement and from other legally available Non-Ad Valorem funds of the County. Principal balance was \$583,333 on September 30, 1997.

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 \$25,789 on September 30, 1997.

The changes in general long-term debt for the year ended September 30, 1997 follows:

	<u>Balance</u> <u>10/1/96</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/97</u>
Installment				
purchase				
obligations	\$ 448,841	\$ -	\$136,604	\$ 312,237
Notes payable	<u>1,172,729</u>	<u>-</u>	<u>193,607</u>	<u>979,122</u>
	<u><u>\$1,621,570</u></u>	<u><u>\$ -</u></u>	<u><u>\$330,211</u></u>	<u><u>\$1,291,359</u></u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

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

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

Year ending September 30:

1998	\$ 680,178
1999	318,335
2000	210,913
2001	81,933
Thereafter	<u>-</u>
	<u>\$1,291,359</u>

NOTE F - CONTINGENCIES

The County is involved in one claim and three 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.

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.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

NOTE H - RETIREMENT PROGRAM - CONTINUED

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.

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.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

NOTE H - RETIREMENT PROGRAM - CONTINUED

As of September 30, 1997 the contribution rates were as follows:

	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	0.00	17.43
Florida Retirement System, County Elected Officers	0.00	27.99

The County's 1996-97 fiscal year payroll for all employees totaled \$2,989,819, including \$2,920,060 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in the 1996-97 fiscal year totaled \$626,388, including \$-0- from employee contributions, which represents 21.5 and -0- percent, respectively, of covered payroll.

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 County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

NOTE H - RETIREMENT PROGRAM - CONTINUED

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 1996-97 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 1996-97 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 in fund balance at September 30, 1997.
- 2) Excesses of expenditures over appropriations in individual funds. During the 1996-97 fiscal year, there were no funds with excesses of expenditures over appropriations.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

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

- 3) Individual fund interfund receivable and payable balances. Such balances at September 30, 1997 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 9,784
Fine and Forfeiture Fund	-	5,008
General Fund	-	212,795
County Transportation Trust Fund	-	556,955
Capital Projects Fund	-	446,046
Grants Fund	-	2,145
Fire District Fund	116,122	-
Local Option Sales Tax Fund	236,996	-
Local Government Criminal Justice Fund	11,363	-
Solid Waste Trust Fund	772,232	-
911 Fund	<u>96,020</u>	<u>-</u>
	<u><u>\$ 1,232,733</u></u>	<u><u>\$1,232,733</u></u>

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.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

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, 1997:

	<u>Balance</u> <u>10/1/96</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/97</u>
Land	\$ 426,523	\$ -	\$ -	\$ 426,523
Buildings	4,039,814	166,353	-	4,039,814
Equipment	5,154,653	374,130	147,797	5,380,986
Construction in progress	<u>2,068,658</u>	<u>-</u>	<u>2,068,658</u>	<u>-</u>
	<u>\$11,689,648</u>	<u>\$ 540,483</u>	<u>\$2,216,455</u>	<u>\$10,013,676</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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

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

The County had an arbitrage rebate liability of \$-0- as of October 1, 1997. The Internal Revenue Service filing date is November 11, 1997, by which time the County expects the liability to be minimal.

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, 1998	\$135,000
May 1, 1999	140,000
May 1, 2000	150,000
May 1, 2001	155,000
May 1, 2002	165,000
May 1, 2003 and thereafter	<u>2,250,000</u>
	<u>\$2,995,000</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	\$142,612
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications Trust Fund	<u>141,278</u>
	<u>\$283,890</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

NOTE M - RESERVED FUND BALANCES - CONTINUED

Capital Projects Fund - Reserve for road construction	<u>\$1,284,190</u>
Debt Service Fund - Reserve for debt service	<u>\$ 257,336</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 \$2,546,980 of these funds on road construction and improvements to date.

The County is required by State Law to close its landfill which has no further capacity as of September 30, 1994. The cost to close the facility is estimated at \$1,890,000 of which the County has spent \$1,583,200 as of September 30, 1997. The total costs are expected to be funded by State grants. The postclosure cost of maintenance, monitoring and testing is expected to be \$76,500 per year for the next 20 years. The above estimates for closure and postclosure costs are 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 closure and postclosure liabilities referenced above.

NOTE O - RISK MANAGEMENT

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

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

NOTE O - 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- CORRECTION OF PRIOR YEAR ERROR

The correction of prior year error results from an incorrect valuation of the September 30, 1996 inventory of supplies maintained in the County Transportation Trust Fund.

SUPPLEMENTAL INFORMATION

The County of Jefferson, Florida
 COMBINING BALANCE SHEET - ALL AGENCY FUNDS

September 30, 1997

	CLERK OF THE CIRCUIT COURT	SUPERVISOR OF ELECTIONS	PROPERTY APPRAISER	TAX COLLECTOR	SHERIFF	COMBINED TOTALS
ASSETS						
Cash	\$119,674	\$ -	\$96	\$84,390	\$24,676	\$228,836
Due from other agencies	-	-	-	1,986	-	1,986
Accounts receivable	<u>343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343</u>
Total assets	<u>\$120,017</u>	<u>\$ -</u>	<u>\$96</u>	<u>\$86,376</u>	<u>\$24,676</u>	<u>\$231,165</u>
LIABILITIES						
Due to other governments	\$ 93,945	\$ -	\$ -	\$ -	\$ -	\$ 93,945
Due to other agencies	-	-	-	86,226	-	86,226
Deposits held in escrow	<u>26,072</u>	<u>-</u>	<u>96</u>	<u>150</u>	<u>24,676</u>	<u>50,994</u>
Total liabilities	<u>\$120,017</u>	<u>\$ -</u>	<u>\$96</u>	<u>\$86,376</u>	<u>\$24,676</u>	<u>\$231,165</u>

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

Year ended September 30, 1997

	BALANCE OCTOBER 1, 1996	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1997
<u>Clerk of the Circuit Court - Suspense Account</u>				
Assets:				
Cash	\$ 117,943	\$2,271,619	\$2,282,192	\$107,370
Accounts receivable	400	-	57	343
	<u>\$ 118,343</u>	<u>\$2,271,619</u>	<u>\$2,282,249</u>	<u>\$107,713</u>
Liabilities:				
Due to other governments	\$ 105,343	\$ 509,221	\$ 520,619	\$ 93,945
Due to other agencies	-	537,332	537,332	-
Deposits held in escrow	13,000	1,225,066	1,224,298	13,768
	<u>\$ 118,343</u>	<u>\$2,271,619</u>	<u>\$2,282,249</u>	<u>\$107,713</u>
<u>Clerk of the Circuit Court - Court Registry</u>				
Assets:				
Cash	<u>\$13,552</u>	<u>\$ 6,749</u>	<u>\$ 7,997</u>	<u>\$ 12,304</u>
Liabilities:				
Deposits held in escrow	<u>\$13,552</u>	<u>\$ 6,749</u>	<u>\$ 7,997</u>	<u>\$ 12,304</u>
<u>Clerk of the Circuit Court- Tax Redemption Account</u>				
Assets:				
Cash	<u>\$ -</u>	<u>\$ 1,537</u>	<u>\$ 1,537</u>	<u>\$ -</u>
Liabilities:				
Deposits held in escrow	<u>\$ -</u>	<u>\$ 1,537</u>	<u>\$ 1,537</u>	<u>\$ -</u>
<u>Supervisor of Elections - Qualifying Account</u>				
Assets:				
Cash	<u>\$ -</u>	<u>\$ 1,237</u>	<u>\$ 1,237</u>	<u>\$ -</u>
Liabilities:				
Due to other agencies	<u>\$ -</u>	<u>\$ 1,237</u>	<u>\$ 1,237</u>	<u>\$ -</u>
<u>Property Appraiser - Commission Account</u>				
Assets:				
Cash	<u>\$ 96</u>	<u>\$ 4,489</u>	<u>\$ 4,489</u>	<u>\$ 96</u>
Liabilities:				
Due to other agencies	<u>\$ -</u>	<u>\$ 4,489</u>	<u>\$ 4,489</u>	<u>\$ -</u>
Deposits held in escrow	<u>96</u>	<u>-</u>	<u>-</u>	<u>96</u>
	<u>\$ 96</u>	<u>\$ 4,489</u>	<u>\$ 4,489</u>	<u>\$ 96</u>

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED

ALL AGENCY FUNDS

Year ended September 30, 1997

	BALANCE OCTOBER 1, 1996	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1997
<u>Tax Collector - Tax Account</u>				
Assets:				
Cash	\$ <u>67,979</u>	\$ <u>5,751,860</u>	\$ <u>5,740,192</u>	\$ <u>79,647</u>
Liabilities:				
Due to other governments	\$ -	\$ 5,495,440	\$ 5,495,440	\$ -
Due to other agencies	67,979	42,400	30,732	79,647
Deposits held in escrow	-	214,020	214,020	-
	\$ <u>67,979</u>	\$ <u>5,751,860</u>	\$ <u>5,740,192</u>	\$ <u>79,647</u>
<u>Tax Collector - Tag Account</u>				
Assets:				
Cash	\$ 1,807	\$ 2,784,869	\$ 2,781,933	\$ 4,743
Due from other agencies	1,194	792	-	1,986
	\$ <u>3,001</u>	\$ <u>2,785,661</u>	\$ <u>2,781,933</u>	\$ <u>6,729</u>
Liabilities:				
Due to other agencies	\$ 2,851	\$ 3,728	\$ -	\$ 6,579
Deposits held in escrow	150	2,781,933	2,781,933	150
	\$ <u>3,001</u>	\$ <u>2,785,661</u>	\$ <u>2,781,933</u>	\$ <u>6,729</u>
<u>Sheriff - Individual Depositors Account</u>				
Assets:				
Cash	\$ <u>260</u>	\$ <u>10,500</u>	\$ <u>10,640</u>	\$ <u>120</u>
Liabilities:				
Deposits held in escrow	\$ <u>260</u>	\$ <u>10,500</u>	\$ <u>10,640</u>	\$ <u>120</u>
<u>Sheriff - Appearance Bond Account</u>				
Assets:				
Cash	\$ <u>6,880</u>	\$ <u>47,356</u>	\$ <u>48,851</u>	\$ <u>5,385</u>
Liabilities:				
Deposits held in escrow	\$ <u>6,880</u>	\$ <u>47,356</u>	\$ <u>48,851</u>	\$ <u>5,385</u>

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED

ALL AGENCY FUNDS

Year ended September 30, 1997

	BALANCE OCTOBER 1, 1996	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1997
<u>Sheriff - Prisoners Work Release</u>				
Assets:				
Cash	\$ -	\$ 293	\$ 293	\$ -
Liabilities:				
Deposits held in escrow	\$ -	\$ 293	\$ 293	\$ -
<u>Sheriff - Prisoners Welfare</u>				
Assets:				
Cash	\$ 9,943	\$ 9,405	\$ 177	\$ 19,171
Liabilities:				
Deposits held in escrow	\$ 9,943	\$ 9,405	\$ 177	\$ 19,171
<u>Totals - All Agency Funds</u>				
Assets:				
Cash	\$218,460	\$10,889,914	\$10,879,538	\$228,836
Due from other agencies	1,194	792	-	1,986
Accounts receivable	400	-	57	343
	<u>\$220,054</u>	<u>\$10,890,706</u>	<u>\$10,879,595</u>	<u>\$231,165</u>
Liabilities:				
Due to other governments	\$105,343	\$6,004,661	\$6,016,059	\$ 93,945
Due to other agencies	70,830	589,186	573,790	86,226
Deposits held in escrow	<u>43,881</u>	<u>4,296,859</u>	<u>4,289,746</u>	<u>50,994</u>
	<u>\$220,054</u>	<u>\$10,890,706</u>	<u>\$10,879,595</u>	<u>\$231,165</u>

FINANCIAL STATEMENTS AND AUDITORS' REPORT

BOARD OF COUNTY COMMISSIONERS

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

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

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

January 8, 1998

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, 1997, 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, 1997, 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 January 8, 1998, 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 analysis. 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.

39 *Betts, Rogers, Schenck & Jones*

The County of Jefferson, Florida
Board of County Commissioners

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1997

	GOVERNMENTAL FUND TYPES				ACCOUNT GROUPS		TOTALS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	(Note G) (MEMORANDUM ONLY)
ASSETS							
Cash	\$ 122,507	\$ 745,510	\$ -	\$ -	\$ -	\$ -	\$ 868,017
Investments (Note B)	735,909	253,949	1,727,102	267,120	-	-	2,984,080
Accounts receivable (Note C)	234,107	-	-	-	-	-	234,107
Accrued interest receivable	4,086	1,272	8,999	-	-	-	14,357
Due from other governments	312,169	299,025	-	-	-	-	611,194
Due from other agencies	-	2,891	-	-	-	-	2,891
Due from other funds (Note I)	-	1,232,733	-	-	-	-	1,232,733
Inventory of supplies (Note D)	-	142,612	-	-	-	-	142,612
Fixed assets (Note K)	-	-	-	-	8,978,902	-	8,978,902
Amount to be provided	-	-	-	-	-	1,291,359	1,291,359
Total assets	<u>\$1,408,778</u>	<u>\$2,677,992</u>	<u>\$1,736,101</u>	<u>\$267,120</u>	<u>\$ 8,978,902</u>	<u>\$1,291,359</u>	<u>\$16,360,252</u>
LIABILITIES AND FUND EQUITY							
Liabilities							
Notes payable (Note E)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 979,122	\$ 979,122
Installment purchase obligations (Note E)	-	-	-	-	-	312,237	312,237
Accounts payable	60,309	124,763	5,865	-	-	-	190,937
Due to other funds (Note I)	212,795	564,108	446,046	9,784	-	-	1,232,733
Deposits held in escrow	4,840	-	-	-	-	-	4,840
Revenues collected in advance to other governments	1,984	200,000	-	-	-	-	201,984
Contingencies (Note F)	-	1,145	-	-	-	-	1,145
Total liabilities	<u>279,928</u>	<u>890,016</u>	<u>451,911</u>	<u>9,784</u>	<u>-</u>	<u>1,291,359</u>	<u>2,922,998</u>
Fund equity							
Investment in general fixed assets	-	-	-	-	7,690,193	-	7,690,193
General fixed assets acquired by gift	-	-	-	-	1,288,709	-	1,288,709
Fund balances							
Reserved (Note M)	-	283,890	1,284,190	257,336	-	-	1,825,416
Unreserved - Undesignated	1,128,850	1,504,086	-	-	-	-	2,632,936
Total fund equity	<u>1,128,850</u>	<u>1,787,976</u>	<u>1,284,190</u>	<u>257,336</u>	<u>8,978,902</u>	<u>-</u>	<u>13,437,254</u>
Total liabilities and fund equity	<u>\$1,408,778</u>	<u>\$2,677,992</u>	<u>\$1,736,101</u>	<u>\$267,120</u>	<u>\$ 8,978,902</u>	<u>\$1,291,359</u>	<u>\$16,360,252</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, 1997

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$1,058,588	\$1,171,687	\$ 113,099	\$2,838,566	\$1,857,008	\$ (981,558)
Taxes	1,822,080	1,774,333	(47,747)	1,724,441	1,682,044	(42,397)
Fines and costs	-	-	-	247,800	316,520	68,720
Charges for services	302,597	726,093	423,496	45,000	49,713	4,713
Licenses and permits	169,200	153,937	(15,263)	-	-	-
Miscellaneous revenues	165,977	163,981	(1,996)	819,500	919,715	100,215
Total revenues	<u>3,518,442</u>	<u>3,990,031</u>	<u>471,589</u>	<u>5,675,307</u>	<u>4,825,000</u>	<u>(850,307)</u>
Expenditures						
General government	1,425,839	1,231,711	194,128	164,687	164,230	457
Public safety	951,159	1,071,148	(119,989)	2,052,432	1,974,728	77,704
Transportation	-	-	-	1,392,974	1,388,373	4,601
Physical environment	254,023	266,007	(11,984)	1,503,494	1,044,578	458,916
Economic environment	1,675	1,255	420	1,948,211	778,917	1,169,294
Human services	215,913	184,247	31,666	-	-	-
Culture and recreation	198,032	213,689	(15,657)	-	-	-
Total expenditures	<u>3,046,641</u>	<u>2,968,057</u>	<u>78,584</u>	<u>7,061,798</u>	<u>5,350,826</u>	<u>1,710,972</u>
Excess of revenues over (under) expenditures	471,801	1,021,974	550,173	(1,386,491)	(525,826)	860,665
Other financing sources (uses)						
Budgeted transfers in	36,692	36,692	-	978,549	955,869	(22,680)
Budgeted transfers (out)	(630,742)	(608,062)	22,680	(624,499)	(624,499)	-
Bond proceeds	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(122,249)	450,604	572,853	(1,032,441)	(194,456)	837,985
Fund balances - beginning of year	678,246	678,246	-	1,869,627	1,869,627	-
Correction of prior year error (Note P)	-	-	-	112,805	112,805	-
Fund balances - end of year	<u>\$ 555,997</u>	<u>\$1,128,850</u>	<u>\$ 572,853</u>	<u>\$ 949,991</u>	<u>\$1,787,976</u>	<u>\$ 837,985</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
ALL GOVERNMENTAL FUND TYPES

Year ended September 30, 1997

	<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	\$1,171,687	\$1,857,008	\$ -	\$294,779	\$3,323,474
Taxes	1,774,333	1,682,044	-	-	3,456,377
Fines and costs	-	316,520	-	-	316,520
Charges for services	726,093	49,713	-	-	775,806
Licenses and permits	153,937	-	-	-	153,937
Miscellaneous revenues	163,981	919,715	106,319	9,863	1,199,878
Total revenues	<u>3,990,031</u>	<u>4,825,000</u>	<u>106,319</u>	<u>304,642</u>	<u>9,225,992</u>
Expenditures					
General government	1,218,498	164,230	-	-	1,382,728
Public safety	1,059,544	1,974,728	-	-	3,034,272
Transportation	-	1,301,390	260,873	-	1,562,263
Physical environment	266,007	996,477	218,850	-	1,481,334
Economic environment	1,255	778,917	-	-	780,172
Human services	184,247	-	-	-	184,247
Culture and recreation	213,689	-	-	-	213,689
Debt service	24,817	135,084	-	550,782	710,683
Total expenditures	<u>2,968,057</u>	<u>5,350,826</u>	<u>479,723</u>	<u>550,782</u>	<u>9,349,388</u>
Excess of revenues over (under) expenditures	1,021,974	(525,826)	(373,404)	(246,140)	(123,396)
Other financing sources (uses)					
Operating transfers in	36,692	955,869	-	240,000	1,232,561
Operating transfers (out)	<u>(608,062)</u>	<u>(624,499)</u>	<u>-</u>	<u>-</u>	<u>(1,232,561)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	450,604	(194,456)	(373,404)	(6,140)	(123,396)
Fund balances - beginning of year	678,246	1,869,627	1,657,594	263,476	4,468,943
Correction of prior year error (Note P)	-	112,805	-	-	112,805
Fund balances - end of year	<u>\$1,128,850</u>	<u>\$1,787,976</u>	<u>\$1,284,190</u>	<u>\$257,336</u>	<u>\$4,458,352</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, 1997

	CAPITAL PROJECTS			DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 318,150	\$ 294,779	\$ (23,371)
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	-	106,319	106,319	-	9,863	9,863
Total revenues	-	106,319	106,319	318,150	304,642	(13,508)
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	1,500,000	260,873	1,239,127	-	-	-
Physical environment	-	218,850	(218,850)	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	557,243	550,782	6,461
Total expenditures	1,500,000	479,723	1,020,277	557,243	550,782	6,461
Excess of revenues over (under) expenditures	(1,500,000)	(373,404)	1,126,596	(239,093)	(246,140)	(7,047)
Other financing sources (uses)						
Budgeted transfers in	-	-	-	240,000	240,000	-
Budgeted transfers (out)	-	-	-	-	-	-
Bond proceeds	1,500,000	-	(1,500,000)	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	(373,404)	(373,404)	907	(6,140)	(7,047)
Fund balances - beginning of year	-	-	-	-	-	-
Correction of prior year error (Note P)	1,657,594	1,657,594	-	263,476	263,476	-
Fund balances - end of year	\$1,657,594	\$1,284,190	\$ (373,404)	\$ 264,383	\$ 257,336	\$ (7,047)

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, 1997

TOTALS (MEMORANDUM ONLY)			
(NOTE G)			
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (<u>UNFAVORABLE</u>)
Revenues			
Intergovernmental revenues	\$ 4,215,304	\$ 3,323,474	\$ (891,830)
Taxes	3,546,521	3,456,377	(90,144)
Fines and costs	247,800	316,520	68,720
Charges for services	347,597	775,806	428,209
Licenses and permits	169,200	153,937	(15,263)
Miscellaneous revenues	<u>985,477</u>	<u>1,199,878</u>	<u>214,401</u>
Total revenues	<u>9,511,899</u>	<u>9,225,992</u>	<u>(285,907)</u>
Expenditures			
General government	1,590,526	1,395,941	194,585
Public safety	3,003,591	3,045,876	(42,285)
Transportation	2,892,974	1,649,246	1,243,728
Physical environment	1,757,517	1,529,435	228,082
Economic environment	1,949,886	780,172	1,169,714
Human services	215,913	184,247	31,666
Culture and recreation	198,032	213,689	(15,657)
Debt service	<u>557,243</u>	<u>550,782</u>	<u>6,461</u>
Total expenditures	<u>12,165,682</u>	<u>9,349,388</u>	<u>2,816,294</u>
Excess of revenues over (under) expenditures	(2,653,783)	(123,396)	2,530,387
Other financing sources (uses)			
Budgeted transfers in	1,255,241	1,232,561	(22,680)
Budgeted transfers (out)	(1,255,241)	(1,232,561)	22,680
Bond proceeds	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	(1,153,783)	(123,396)	1,030,387

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 - CONTINUED

Year ended September 30, 1997

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Fund balances - beginning of year	4,468,943	4,468,943	-
Correction of prior year error (Note P)	<u>112,805</u>	<u>112,805</u>	<u>-</u>
Fund balances - end of year	<u>\$3,427,965</u>	<u>\$4,458,352</u>	<u>\$1,030,387</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, 1997

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 1996 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, 1997

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, 1997

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, 1997

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 \$868,017 and the bank balances were \$1,182,758 at September 30, 1997. 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, 1997 and no further allowance is considered necessary. Bad debt expense for the year was \$210,345.

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

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 and final maturity is February 8, 1999. 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 (7.41% at September 30, 1997). Principal balance was \$370,000 on September 30, 1997.

The County entered into a \$1,000,000 Local Option Gas Tax Revenue Note Agreement on October 7, 1994. The County borrowed \$1,000,000 from Capital City Bank. The note is to be repaid in twelve (12) equal semi-annual installments of \$83,333 each on the 7th day of each October and April, commencing April 7, 1995. Interest is payable on the same dates at a fixed rate of 5.45% per annum on the unpaid principal. Maturity date is October 7, 2000. The Note is payable solely from the Local Option Gas Tax pledged to secure the Note in the Loan Agreement and from other legally available Non-Ad Valorem Funds of the County. Principal balance was \$583,333 on September 30, 1997.

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 \$25,789 on September 30, 1997.

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

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

The changes in general long-term debt for the year ended September 30, 1997 follows:

	Balance <u>10/1/96</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>9/30/97</u>
Installment purchase obligations	\$ 448,841	\$ -	\$136,604	\$ 312,237
Notes payable	<u>1,172,729</u>	<u>-</u>	<u>193,607</u>	<u>979,122</u>
	<u>\$1,621,570</u>	<u>\$ -</u>	<u>\$330,211</u>	<u>\$1,291,359</u>

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

Year ending September 30:

1998	\$680,178
1999	318,335
2000	210,913
2001	81,933
Thereafter	<u>-</u>
	<u>\$1,291,359</u>

NOTE F - CONTINGENCIES

The County is involved in one claim and three 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, 1997

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, 1997

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, 1997, the contribution rates were as follows:

	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer</u>
Florida Retirement System, Regular	0.00	17.43
Florida Retirement System, County Elected Officers	0.00	27.99

The County's 1996-97 fiscal year payroll for all employees totaled \$1,518,512, including \$1,502,894 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in the 1996-97 fiscal year totaled \$290,550, including \$-0- from employee contributions, which represents 19.3 and -0- percent, respectively, of covered payroll.

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

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 1996-97 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, 1997

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 1996-97 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, 1997.
- 2) Excesses of expenditures over appropriations in individual funds. During the 1996-97 fiscal year, there were no funds with excesses of expenditures over appropriations.
- 3) Individual fund interfund receivable and payable balances at September 30, 1997 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 9,784
Fine and Forfeiture Fund	-	5,008
General Fund	-	212,795
County Transportation Trust Fund	-	556,955
Capital Projects Fund	-	446,046
Grants Fund	-	2,145
Fire District Fund	116,122	-
Local Option Sales Tax Fund	236,996	-

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

NOTE I - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - Continued

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Local Government Criminal Justice Fund	11,363	-
Solid Waste Trust Fund	772,232	-
911 Fund	<u>96,020</u>	<u>-</u>
	<u>\$1,232,733</u>	<u>\$1,232,733</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, 1997

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, 1997:

	<u>Balance</u> <u>10/1/96</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/97</u>
Land	\$ 426,523	\$ -	\$ -	\$ 426,523
Buildings	4,039,814	166,353	-	4,206,167
Equipment	4,256,333	237,561	147,682	4,346,212
Construction in progress	<u>2,068,658</u>	<u>-</u>	<u>2,068,658</u>	<u>-</u>
	<u>\$10,791,328</u>	<u>\$ 403,914</u>	<u>\$2,216,340</u>	<u>\$ 8,978,902</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, 1997

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

The County had an arbitrage rebate liability of \$-0- as of October 1, 1997. The Internal Revenue Service filing date is November 11, 1997, by which time the County expects the liability to be minimal.

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, 1998	\$ 135,000
May 1, 1999	140,000
May 1, 2000	150,000
May 1, 2001	155,000
May 1, 2002	165,000
May 1, 2003 and thereafter	<u>2,250,000</u>
	<u>\$2,995,000</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	\$142,612
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications trust fund	<u>141,278</u>
	<u>\$283,890</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

NOTE M - RESERVED FUND BALANCES - Continued

Capital Projects Fund - Reserve for road construction	<u>\$1,284,190</u>
Debt Service Fund - Reserve for debt service	<u>\$ 257,336</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 \$2,546,980 of these funds on road construction and improvements to date.

The County is required by State Law to close its landfill which has no further capacity as of September 30, 1994. The cost to close the facility is estimated at \$1,890,000 of which the County has spent \$1,583,200 as of September 30, 1997. The total costs are expected to be funded by State grants. The postclosure cost of maintenance, monitoring and testing is expected to be \$76,500 per year for the next 20 years. The above estimates for closure and postclosure costs are 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 closure and postclosure liabilities referenced above.

NOTE O - RISK MANAGEMENT

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

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1997

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 - CORRECTION OF PRIOR YEAR ERROR

The correction of prior year error results from an incorrect valuation of the September 30, 1996 inventory of supplies maintained in the County Transportation Trust Fund.

SUPPLEMENTAL INFORMATION

The County of Jefferson, Florida
Board of County Commissioners

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

September 30, 1997

	<u>FINES & FORFEITURE FUND</u>	<u>GRANTS FUND</u>	<u>COUNTY TRANSPORTATION TRUST FUND</u>	<u>FIRE DISTRICT FUND</u>	<u>LOCAL OPTION SALES TAX FUND</u>
ASSETS					
Cash	\$150,635	\$464,756	\$130,119	\$ -	\$ -
Investments	14,427	-	239,522	-	-
Accrued interest receivable	65	-	1,207	-	-
Due from other governments	40,956	59,647	114,422	854	25,825
Due from other agencies	-	-	-	-	-
Due from other funds	-	-	-	116,122	236,996
Inventory of supplies, at cost	-	-	142,612	-	-
Total assets	<u>\$206,083</u>	<u>\$524,403</u>	<u>\$627,882</u>	<u>\$116,976</u>	<u>\$262,821</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ -	\$ 30,256	\$ 27,738	\$ 2,509	\$ -
Due to other funds	5,008	2,145	556,955	-	-
Revenues collected in advance	-	200,000	-	-	-
Due to other governments	-	-	-	360	-
Contingencies	-	-	-	-	-
Total liabilities	<u>5,008</u>	<u>232,401</u>	<u>584,693</u>	<u>2,869</u>	<u>-</u>
Fund balances					
Reserved	141,278	-	142,612	-	-
Unreserved					
Undesignated	<u>59,797</u>	<u>292,002</u>	<u>(99,423)</u>	<u>114,107</u>	<u>262,821</u>
Total fund balances	<u>201,075</u>	<u>292,002</u>	<u>43,189</u>	<u>114,107</u>	<u>262,821</u>
Total liabilities and fund balances	<u>\$206,083</u>	<u>\$524,403</u>	<u>\$627,882</u>	<u>\$116,976</u>	<u>\$262,821</u>

The County of Jefferson, Florida
Board of County Commissioners

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS - CONTINUED

September 30, 1997

	LOCAL GOVERNMENT CRIMINAL JUSTICE FUND	SOLID WASTE TRUST FUND	911 FUND	COMBINED TOTALS
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 745,510
Investments	-	-	-	253,949
Accrued interest receivable	-	-	-	1,272
Due from other governments	3,322	53,999	-	299,025
Due from other agencies	-	-	2,891	2,891
Due from other funds	11,363	772,232	96,020	1,232,733
Inventory of supplies, at cost	-	-	-	142,612
Total assets	<u>\$14,685</u>	<u>\$ 826,231</u>	<u>\$98,911</u>	<u>\$2,677,992</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ -	\$ 64,260	\$ -	\$ 124,763
Due to other funds	-	-	-	564,108
Revenues collected in advance	-	-	-	200,000
Due to other governments	-	785	-	1,145
Contingencies	-	-	-	-
Total liabilities	<u>-</u>	<u>65,045</u>	<u>-</u>	<u>890,016</u>
Fund balances				
Reserved	-	-	-	283,890
Unreserved				
Undesignated	<u>14,685</u>	<u>761,186</u>	<u>98,911</u>	<u>1,504,086</u>
Total fund balances	<u>14,685</u>	<u>761,186</u>	<u>98,911</u>	<u>1,787,976</u>
Total liabilities and fund balance	<u>\$14,685</u>	<u>\$ 826,231</u>	<u>\$98,911</u>	<u>\$2,677,992</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, 1997

	FINES & FORFEITURE FUND			GRANTS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 112,314	\$ 105,499	\$ (6,815)	\$2,050,748	\$ 933,014	\$ (1,117,734)
Taxes	485,728	472,937	(12,791)	-	-	-
Fines and costs	223,300	281,096	57,796	-	-	-
Charges for services	15,000	15,472	472	-	-	-
Miscellaneous revenues	-	5,100	5,100	-	2,413	2,413
Total revenues	<u>836,342</u>	<u>880,104</u>	<u>43,762</u>	<u>2,050,748</u>	<u>935,427</u>	<u>(1,115,321)</u>
Expenditures						
Public safety	1,740,920	1,716,141	24,779	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	1,948,211	778,917	1,169,294
Total expenditures	<u>1,740,920</u>	<u>1,716,141</u>	<u>24,779</u>	<u>1,948,211</u>	<u>778,917</u>	<u>1,169,294</u>
Excess of revenues over (under) expenditures	(904,578)	(836,037)	68,541	102,537	156,510	53,973
Other financing source (uses)						
Budgeted transfers in	857,620	857,620	-	-	-	-
Budgeted transfers (out)	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(46,958)	21,583	68,541	102,537	156,510	53,973
Fund balances - beginning of year	179,492	179,492	-	135,492	135,492	-
Correction of prior year error	-	-	-	-	-	-
Fund balances - end of year	<u>\$ 132,534</u>	<u>\$ 201,075</u>	<u>\$ 68,541</u>	<u>\$238,029</u>	<u>\$ 292,002</u>	<u>\$ 53,973</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, 1997

	COUNTY TRANSPORTATION TRUST FUND			FIRE DISTRICT FUND		
			VARIANCE FAVORABLE (UNFAVORABLE)			VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL		BUDGET	ACTUAL	
Revenues						
Intergovernmental revenues	\$ 625,504	\$ 638,718	\$ 13,214	\$ -	\$ -	\$ -
Taxes	912,404	829,164	(83,240)	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	29,500	26,101	(3,399)	215,000	226,508	11,508
Total revenues	1,567,408	1,493,983	(73,425)	215,000	226,508	11,508
Expenditures						
Public safety	-	-	-	273,792	244,071	29,721
Transportation	1,392,974	1,388,373	4,601	-	-	-
Economic environment	-	-	-	-	-	-
Total expenditures	1,392,974	1,388,373	4,601	273,792	244,071	29,721
Excess of revenues over (under) expenditures	174,434	105,610	(68,824)	(58,792)	(17,563)	41,229
Other financing source (uses)						
Budgeted transfers in	-	-	-	98,429	98,249	(180)
Budgeted transfers (out)	(210,000)	(210,000)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(35,566)	(104,390)	(68,824)	39,637	80,686	41,049
Fund balances - beginning of year	34,774	34,774	-	33,421	33,421	-
Correction of prior year error	112,805	112,805	-	-	-	-
Fund balances - end of year	\$ 112,013	\$ 43,189	\$ (68,824)	\$ 73,058	\$ 114,107	\$ 41,049

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, 1997

	LOCAL OPTIONS SALES TAX FUND			LOCAL GOVERNMENT CRIMINAL JUSTICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	326,309	379,943	53,634	-	-	-
Fines and costs	-	-	-	24,500	35,424	10,924
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	-	15,549	15,549	-	591	591
Total revenues	<u>326,309</u>	<u>395,492</u>	<u>69,183</u>	<u>24,500</u>	<u>36,015</u>	<u>11,515</u>
Expenditures						
General government	164,687	164,230	457	-	-	-
Physical environment	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Total expenditures	<u>164,687</u>	<u>164,230</u>	<u>457</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	161,622	231,262	69,640	24,500	36,015	11,515
Other financing source (uses)						
Budgeted transfers in	22,500	-	(22,500)	-	-	-
Budgeted transfers (out)	<u>(377,807)</u>	<u>(377,807)</u>	<u>-</u>	<u>(36,692)</u>	<u>(36,692)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	(193,685)	(146,545)	47,140	(12,192)	(677)	11,515
Fund balances - beginning of year	409,366	409,366	-	15,362	15,362	-
Correction of prior year error	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ 215,681</u>	<u>\$ 262,821</u>	<u>\$ 47,140</u>	<u>\$ 3,170</u>	<u>\$ 14,685</u>	<u>\$ 11,515</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, 1997

	SOLID WASTE TRUST FUND			911 FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 50,000	\$ 144,840	\$ 94,840	\$ -	\$ 34,937	\$ 34,937
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	30,000	34,241	4,241
Miscellaneous revenues	<u>575,000</u>	<u>640,179</u>	<u>65,179</u>	<u>-</u>	<u>3,274</u>	<u>3,274</u>
Total revenues	<u>625,000</u>	<u>785,019</u>	<u>160,019</u>	<u>30,000</u>	<u>72,452</u>	<u>42,452</u>
Expenditures						
General government	-	-	-	-	-	-
Physical environment	1,503,494	1,044,578	458,916	-	-	-
Public safety	-	-	-	37,720	14,516	23,204
Transportation	-	-	-	-	-	-
Economic environment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,503,494</u>	<u>1,044,578</u>	<u>458,916</u>	<u>37,720</u>	<u>14,516</u>	<u>23,204</u>
Excess of revenues over (under) expenditures	(878,494)	(259,559)	618,935	(7,720)	57,936	65,656
Other financing source (uses)						
Budgeted transfers in	-	-	-	-	-	-
Budgeted transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,436</u>	<u>14,436</u>
Excess of revenues and other sources over (under) expenditures and other uses	(878,494)	(259,559)	618,935	(7,720)	57,936	65,656
Fund balances - beginning of year	1,020,745	1,020,745	-	40,975	40,975	-
Correction of prior year error	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ 142,251</u>	<u>\$ 761,186</u>	<u>\$ 618,935</u>	<u>\$ 33,255</u>	<u>\$ 98,911</u>	<u>\$ 65,656</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, 1997

	COMBINED TOTALS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$2,838,566	\$1,857,008	\$ (981,558)
Taxes	1,724,441	1,682,044	(42,397)
Fines and costs	247,800	316,520	68,720
Charges for services	45,000	49,713	4,713
Miscellaneous revenues	<u>819,500</u>	<u>919,715</u>	<u>100,215</u>
Total revenues	<u>5,675,307</u>	<u>4,825,000</u>	<u>(850,307)</u>
Expenditures			
General government	164,687	164,230	457
Physical environment	1,503,494	1,044,578	458,916
Public safety	2,052,432	1,974,728	77,704
Transportation	1,392,974	1,388,373	4,601
Economic environment	<u>1,948,211</u>	<u>778,917</u>	<u>1,169,294</u>
Total expenditures	<u>7,061,798</u>	<u>5,350,826</u>	<u>1,710,972</u>
Excess of revenues over (under) expenditures	(1,386,491)	(525,826)	860,665
Other financing source (uses)			
Budgeted transfers in	978,549	955,869	(22,680)
Budgeted transfers (out)	<u>(624,499)</u>	<u>(624,499)</u>	<u>-</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	(1,032,441)	(194,456)	837,985
Fund balances - beginning of year	1,869,627	1,869,627	-
Correction of prior year error	<u>112,805</u>	<u>112,805</u>	<u>-</u>
Fund balances - end of year	<u>\$ 949,991</u>	<u>\$1,787,976</u>	<u>\$ 837,985</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>TAXES</u>			
Ad Valorem Taxes	\$1,821,480	\$1,773,727	\$(47,753)
Franchise Fees	<u>600</u>	<u>606</u>	<u>6</u>
TOTAL TAXES	<u>1,822,080</u>	<u>1,774,333</u>	<u>(47,747)</u>
<u>LICENSES AND PERMITS</u>			
Occupational Licenses	1,700	2,095	395
Contractors Licenses	7,500	6,255	(1,245)
Building Permits	135,000	62,262	(72,738)
Development Code Permits	<u>25,000</u>	<u>83,325</u>	<u>58,325</u>
TOTAL LICENSES AND PERMITS	<u>169,200</u>	<u>153,937</u>	<u>(15,263)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Shared Revenues:			
Federal Wildlife	<u>14,500</u>	<u>33,388</u>	<u>18,888</u>
State Grants:			
Public Safety	208,725	204,545	(4,180)
Culture/Recreation	<u>94,032</u>	<u>123,020</u>	<u>28,988</u>
Total State Grants	<u>302,757</u>	<u>327,565</u>	<u>24,808</u>
State Shared Revenues:			
State Revenue Sharing	244,603	266,201	21,598
Insurance Agents' County			
Licenses	2,800	8,310	5,510
Mobile Home Licenses	5,600	8,000	2,400
Alcoholic Beverages Licenses	1,700	1,467	(233)
Racing Tax	111,625	111,625	-
Local Government Half-Cent			
Sales Tax	184,770	224,360	39,590
Emergency State Sales Tax			
Distribution	188,336	184,421	(3,915)
Payment in Lieu of Tax	<u>1,897</u>	<u>6,350</u>	<u>4,453</u>
Total State Shared Revenues	<u>741,331</u>	<u>810,734</u>	<u>69,403</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL - CONTINUED

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TOTAL INTERGOVERNMENTAL REVENUE	<u>1,058,588</u>	<u>1,171,687</u>	<u>113,099</u>
 <u>CHARGES FOR SERVICES</u>			
General Government:			
Public Defender Liens	6,000	3,895	(2,105)
Administration Fees	25,000	24,252	(748)
Law Library	2,500	2,641	141
Tax Collector	87,000	253,857	166,857
Supervisor of Elections	-	552	552
Property Appraiser	<u>3,800</u>	<u>4,489</u>	<u>689</u>
Total General Government	<u>124,300</u>	<u>289,686</u>	<u>165,386</u>
 Public Safety:			
Ambulance Fees	<u>129,025</u>	<u>400,055</u>	<u>271,030</u>
 Physical/Environment:			
Garbage/Solid Waste Revenue	<u>49,272</u>	<u>36,352</u>	<u>(12,920)</u>
 TOTAL CHARGES FOR SERVICES	<u>302,597</u>	<u>726,093</u>	<u>423,496</u>
 <u>MISCELLANEOUS REVENUE</u>			
Recovery Fees	29,000	19,942	(9,058)
Prior Year Refunds	135,533	135,968	435
Miscellaneous Revenues	<u>1,444</u>	<u>8,071</u>	<u>6,627</u>
 TOTAL MISCELLANEOUS REVENUE	<u>165,977</u>	<u>163,981</u>	<u>(1,996)</u>
 <u>NON-REVENUES</u>			
Transfer from Local Government			
Criminal Justice Trust Fund	<u>36,692</u>	<u>36,692</u>	<u>-</u>
 TOTAL REVENUES	<u>\$3,555,134</u>	<u>\$4,026,723</u>	<u>\$471,589</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL GOVERNMENT SERVICES</u>			
Legislative:			
Board of County Commissioners:			
Personal Services	\$198,220	\$118,378	\$79,842
Operating Expenses	55,100	42,486	12,614
Capital Outlay	<u>-</u>	<u>781</u>	<u>(781)</u>
Total Legislative	<u>253,320</u>	<u>161,645</u>	<u>91,675</u>
Financial and Administrative:			
Property Appraiser:			
Personal Services	200,773	194,871	5,902
Operating Expenses	78,208	47,409	30,799
Capital Outlay	<u>7,931</u>	<u>6,656</u>	<u>1,275</u>
Total Property Appraiser	<u>286,912</u>	<u>248,936</u>	<u>37,976</u>
Tax Collector:			
Personal Services	196,385	193,138	3,247
Operating Expenses	32,045	34,798	(2,753)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Tax Collector	<u>228,430</u>	<u>227,936</u>	<u>494</u>
Grants Development:			
Personal Services	6,716	13,558	(6,842)
Operating Expenses	20,700	21,598	(898)
Capital Outlay	<u>-</u>	<u>1,170</u>	<u>(1,170)</u>
Total Grants Development	<u>27,416</u>	<u>36,326</u>	<u>(8,910)</u>
Finance			
Operating Expenses	<u>20,000</u>	<u>14,365</u>	<u>5,635</u>
Total Financial and Administrative	<u>562,758</u>	<u>527,563</u>	<u>35,195</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Legal Counsel:			
County Attorney:			
Operating Expenses	21,132	7,035	14,097
Total Legal Counsel	<u>21,132</u>	<u>7,035</u>	<u>14,097</u>
Comprehensive Planning:			
County Development			
Industrial Development	2,000	2,184	(184)
County Planning:			
Personal Services	59,194	57,165	2,029
Operating Expenses	16,400	10,163	6,237
Capital Outlay	1,000	3,149	(2,149)
Total County Planning	<u>76,594</u>	<u>70,477</u>	<u>6,117</u>
Total Comprehensive Planning	<u>78,594</u>	<u>72,661</u>	<u>5,933</u>
Judicial:			
Clerk of the Circuit Court:			
Personal Services	66,676	66,461	215
Operating Expenses	79,385	80,873	(1,488)
Capital Outlay	23,939	13,170	10,769
Total Clerk of the Circuit Court	<u>170,000</u>	<u>160,504</u>	<u>9,496</u>
Circuit Court:			
Operating Expenses	70,931	55,243	15,688
Capital Outlay	-	-	-
Total Circuit Court	<u>70,931</u>	<u>55,243</u>	<u>15,688</u>
County Court:			
Operating Expenses	4,300	5,071	(771)
Capital Outlay	-	-	-
Total County Court	<u>4,300</u>	<u>5,071</u>	<u>(771)</u>
State Attorney:			
Operating Expenses	15,000	14,541	459
Capital Outlay	-	-	-
Total State Attorney	<u>15,000</u>	<u>14,541</u>	<u>459</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Public Defender:			
Operating Expenses	7,600	6,703	897
Total Public Defender	<u>7,600</u>	<u>6,703</u>	<u>897</u>
 Court Reporters:			
Operating Expenses	24,294	24,408	(114)
Total Court Reporters	<u>24,294</u>	<u>24,408</u>	<u>(114)</u>
 Total Judicial	<u>292,125</u>	<u>266,470</u>	<u>25,655</u>
 Other General Governmental Services:			
Supervisor of Elections			
Personal Services	105,106	100,441	4,665
Operating Expenses	25,717	23,365	2,352
Capital Outlay	10,923	10,923	-
Total Supervisor of Elections	<u>141,746</u>	<u>134,729</u>	<u>7,017</u>
 Other Maintenance Services:			
Courthouse and Annexes:			
Personal Services	18,439	18,917	(478)
Operating Expenses	53,225	42,691	10,534
Capital Outlay	4,500	-	4,500
Total Other Maintenance Svcs.	<u>76,164</u>	<u>61,608</u>	<u>14,556</u>
 Total Other General Governmental Services	<u>217,910</u>	<u>196,337</u>	<u>21,573</u>
 TOTAL GENERAL GOVERNMENT SERVICES	<u>1,425,839</u>	<u>1,231,711</u>	<u>194,128</u>
 <u>PUBLIC SAFETY</u>			
Fire Control:			
Operating Expenses	11,300	11,279	21
Total Fire Control	<u>11,300</u>	<u>11,279</u>	<u>21</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Detentions and/or Correction:			
Operating Expenses	223,500	344,710	(121,210)
Capital Outlay	<u>2,500</u>	<u>500</u>	<u>2,000</u>
Total Detention and/or Correction	<u>226,000</u>	<u>345,210</u>	<u>(119,210)</u>
Protective Inspections:			
Building Inspection:			
Personal Services	59,068	55,837	3,231
Operating Expenses	16,809	15,468	1,341
Capital Outlay	<u>600</u>	<u>-</u>	<u>600</u>
Total Building Inspection	<u>76,477</u>	<u>71,305</u>	<u>5,172</u>
Construction Industry Licensing:			
Personal Services	8,831	7,817	1,014
Operating Expenses	650	187	463
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Construction Industry Licensing	<u>9,481</u>	<u>8,004</u>	<u>1,477</u>
Total Protective Inspection	<u>85,958</u>	<u>79,309</u>	<u>6,649</u>
Emergency and Disaster Relief Services:			
Emergency Management:			
Personal Services	56,243	55,076	1,167
Operating Expenses	54,414	45,184	9,230
Capital Outlay	<u>26,841</u>	<u>22,027</u>	<u>4,814</u>
Total Emergency and Disaster Relief Services	<u>137,498</u>	<u>122,287</u>	<u>15,211</u>
Ambulance and Rescue Services:			
Personal Services	229,661	220,740	8,921
Operating Expenses	145,592	261,837	(116,245)
Capital Outlay	<u>103,150</u>	<u>18,561</u>	<u>84,589</u>
Total Ambulance and Rescue Svcs.	<u>478,403</u>	<u>501,138</u>	<u>(22,735)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Medical Examiner			
Operating Expenses	<u>12,000</u>	<u>11,925</u>	<u>75</u>
TOTAL PUBLIC SAFETY	<u>951,159</u>	<u>1,071,148</u>	<u>(119,989)</u>
<u>PHYSICAL ENVIRONMENT</u>			
Garbage/Solid Waste Disposal:			
Refuse:			
Personal Services	116,937	124,079	(7,142)
Operating Expenses	42,477	47,864	(5,387)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Garbage/Solid			
Waste Disposal	<u>159,414</u>	<u>171,943</u>	<u>(12,529)</u>
Conservation and Resource			
Management:			
Soil Conservation:			
Operating Expenses	<u>1,975</u>	<u>1,679</u>	<u>296</u>
Total Soil Conservation	<u>1,975</u>	<u>1,679</u>	<u>296</u>
Agriculture and Home Economics			
Agent:			
Personal Services	67,484	60,258	7,226
Operating Expenses	24,150	23,149	1,001
Capital Outlay	<u>1,000</u>	<u>8,978</u>	<u>(7,978)</u>
Total Agriculture and Home			
Economics Agent	<u>92,634</u>	<u>92,385</u>	<u>249</u>
Total Conservation and Resource			
Management	<u>94,609</u>	<u>94,064</u>	<u>545</u>
TOTAL PHYSICAL ENVIRONMENT	<u>254,023</u>	<u>266,007</u>	<u>(11,984)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>ECONOMIC ENVIRONMENT</u>			
Veterans Affairs			
Operating Expenses	<u>1,675</u>	<u>1,255</u>	<u>420</u>
TOTAL ECONOMIC ENVIRONMENT	<u>1,675</u>	<u>1,255</u>	<u>420</u>
<u>HUMAN SERVICES</u>			
Health:			
Health Department:			
Operating Expenses	3,350	2,314	1,036
Indigent Health Care:			
Operating Expenses	<u>199,563</u>	<u>168,933</u>	<u>30,630</u>
Total Health	<u>202,913</u>	<u>171,247</u>	<u>31,666</u>
Mental Health:			
Grants and Aids	<u>13,000</u>	<u>13,000</u>	<u>-</u>
TOTAL HUMAN SERVICES	<u>215,913</u>	<u>184,247</u>	<u>31,666</u>
<u>CULTURE/RECREATION</u>			
Libraries:			
Personal Services	95,647	107,047	(11,400)
Operating Expenses	46,647	37,943	8,704
Capital Outlay	<u>30,257</u>	<u>31,931</u>	<u>(1,674)</u>
Total Libraries	<u>172,551</u>	<u>176,921</u>	<u>(4,370)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (<u>UNFAVORABLE</u>)
Parks and Recreation:			
Personal Services	18,085	17,917	168
Operating Expenses	7,396	18,851	(11,455)
Capital Outlay	-	-	-
Total Parks and Recreation	<u>25,481</u>	<u>36,768</u>	<u>(11,287)</u>
TOTAL CULTURE/RECREATION	<u>198,032</u>	<u>213,689</u>	<u>(15,657)</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfer:			
Transfer to Fine & Forfeiture Fund	509,813	509,813	-
Transfer to Fire Assessment Fund	98,429	98,249	180
Transfer to Sales Tax Fund	<u>22,500</u>	<u>-</u>	<u>22,500</u>
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>630,742</u>	<u>608,062</u>	<u>22,680</u>
TOTAL EXPENDITURES	<u>\$3,677,383</u>	<u>\$3,576,119</u>	<u>\$101,264</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>MISCELLANEOUS REVENUE</u>			
Interest and other	\$ <u> -</u>	\$ <u>106,320</u>	\$ <u>106,320</u>
<u>NON-REVENUE</u>			
Road Bond Proceeds	<u>1,500,000</u>	<u> -</u>	(<u>1,500,000</u>)
TOTAL REVENUES	<u>\$1,500,000</u>	<u>\$106,320</u>	\$ (<u>1,393,680</u>)

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

			VARIANCE FAVORABLE
	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>(UNFAVORABLE)</u>
 <u>TRANSPORTATION</u>			
Road Construction	\$ <u>1,500,000</u>	\$ <u>260,873</u>	\$ <u>1,239,127</u>
 <u>PHYSICAL ENVIRONMENT</u>			
Water and Sewer Construction	-	217,288	(217,288)
Courthouse Annex	-	<u>1,562</u>	<u>(1,562)</u>
Total Physical Environment		<u>218,850</u>	<u>(218,850)</u>
 TOTAL EXPENDITURES	 \$ <u>1,500,000</u>	 \$ <u>479,723</u>	 \$ <u>1,020,277</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
TAXES			
Ad Valorem Taxes	\$ 485,728	\$ 472,937	\$ (12,791)
<u>INTERGOVERNMENTAL REVENUE</u>			
Grants from Other Governments:			
Public Safety	112,314	105,499	(6,815)
<u>CHARGES FOR SERVICES</u>			
General Government			
Sheriff's Fees	15,000	15,472	472
<u>FINES AND COSTS</u>			
Court Cases:			
Confiscated Property	-	10,396	10,396
County Fines	165,000	207,462	42,462
Court Education Trust Fund	5,500	9,313	3,813
Communication Trust Fund	52,800	53,925	1,125
TOTAL FINES AND COSTS	<u>223,300</u>	<u>281,096</u>	<u>57,796</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest and other	-	5,100	5,100
<u>NON-REVENUES</u>			
Transfer from Local Option			
Sales Tax Fund	347,807	347,807	-
Transfer from General Fund	509,813	509,813	-
TOTAL NON-REVENUES	<u>857,620</u>	<u>857,620</u>	<u>-</u>
TOTAL REVENUES	<u>\$1,693,962</u>	<u>\$1,737,724</u>	<u>\$ 43,762</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PUBLIC SAFETY</u>			
Law Enforcement:			
Sheriff:			
Personal Services	\$ 1,174,267	\$ 1,138,217	\$ 36,050
Operating Expenses	472,369	457,902	14,467
Capital Outlay	<u>94,284</u>	<u>120,022</u>	<u>(25,738)</u>
TOTAL PUBLIC SAFETY	<u>\$1,740,920</u>	<u>\$1,716,141</u>	<u>\$ 24,779</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Grants:			
Economic Environment:			
Job Training Partnership			
Act	\$ 27,547	\$ 6,185	\$ (21,362)
HUD	1,253,942	592,987	(660,955)
Other Economic Environment	<u>519,259</u>	<u>83,527</u>	<u>(435,732)</u>
Total Federal Grants	<u>1,800,748</u>	<u>682,699</u>	<u>(1,118,049)</u>
State Grants:			
Economic Environment:			
State Housing Initiatives			
Partnership	<u>250,000</u>	<u>250,315</u>	<u>315</u>
TOTAL INTERGOVERNMENTAL REVENUES	<u>2,050,748</u>	<u>933,014</u>	<u>(1,117,734)</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>2,413</u>	<u>2,413</u>
TOTAL REVENUES	<u>\$2,050,748</u>	<u>\$ 935,427</u>	<u>\$ (1,115,321)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>ECONOMIC ENVIRONMENT</u>			
Employment Opportunity and Development:			
Housing and Urban Development			
Personal Services	\$ -	\$ 66,705	\$ (66,705)
Operating Expenses	<u>1,133,942</u>	<u>463,149</u>	<u>670,793</u>
Total Housing and Urban Development	<u>1,133,942</u>	<u>529,854</u>	<u>604,088</u>
Other Economic Development			
Personal Services	-	53,922	(53,922)
Operating Expenses	<u>814,269</u>	<u>195,141</u>	<u>619,128</u>
Total Other Economic Development	<u>814,269</u>	<u>249,063</u>	<u>565,206</u>
TOTAL EXPENDITURES	<u>\$1,948,211</u>	<u>\$778,917</u>	<u>\$1,169,294</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Local Option Gasoline Tax	\$ 912,404	\$ 829,164	\$ (83,240)
<u>INTERGOVERNMENTAL REVENUE</u>			
State Shared Revenue:			
General Government:			
Racing Tax Funds	<u>111,625</u>	<u>111,625</u>	<u>-</u>
Total General Government	<u>111,625</u>	<u>111,625</u>	<u>-</u>
Transportation:			
Motor Fuel Tax	10,000	26,574	16,574
Gasoline Tax Pour Over Trust	228,879	217,593	(11,286)
Gasoline Tax - 5th and 6th cent	<u>275,000</u>	<u>282,926</u>	<u>7,926</u>
Total Transportation	<u>513,879</u>	<u>527,093</u>	<u>13,214</u>
TOTAL INTERGOVERNMENTAL REVENUE	<u>625,504</u>	<u>638,718</u>	<u>13,214</u>
<u>MISCELLANEOUS REVENUE</u>			
Pipe Installation Fees	5,500	8,160	2,660
Interest Earnings	24,000	15,885	(8,115)
Other Miscellaneous Revenue	<u>-</u>	<u>2,056</u>	<u>2,056</u>
TOTAL MISCELLANEOUS REVENUE	<u>29,500</u>	<u>26,101</u>	<u>(3,399)</u>
TOTAL REVENUES	<u>\$1,567,408</u>	<u>\$1,493,983</u>	<u>\$ (73,425)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TRANSPORTATION</u>			
Road and Street Facilities:			
Roads and Bridges:			
Personal Services	\$ 786,852	\$ 779,840	\$ 7,012
Operating Expenses	456,122	454,799	1,323
Capital Outlay	<u>150,000</u>	<u>153,734</u>	<u>(3,734)</u>
TOTAL TRANSPORTATION	<u>1,392,974</u>	<u>1,388,373</u>	<u>4,601</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to Debt			
Service Fund	<u>210,000</u>	<u>210,000</u>	<u>-</u>
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>210,000</u>	<u>210,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$1,602,974</u>	<u>\$1,598,373</u>	<u>\$ 4,601</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>MISCELLANEOUS REVENUES</u>			
Fire Assessment	\$215,000	\$219,732	\$ 4,732
Interest Earnings	-	3,639	3,639
Miscellaneous	<u>-</u>	<u>3,137</u>	<u>3,137</u>
TOTAL MISCELLANEOUS REVENUES	<u>215,000</u>	<u>226,508</u>	<u>11,508</u>
<u>NON-REVENUES</u>			
Transfer from General Fund	<u>98,429</u>	<u>98,249</u>	<u>(180)</u>
TOTAL NON-REVENUES	<u>98,429</u>	<u>98,249</u>	<u>(180)</u>
TOTAL REVENUES	<u>\$313,429</u>	<u>\$324,757</u>	<u>\$11,328</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PUBLIC SAFETY</u>			
Fire Control:			
Personal Services	\$232,052	\$207,811	\$ 24,241
Operating Expenses	39,740	36,260	3,480
Capital Outlay	<u>2,000</u>	<u>37,809</u>	<u>2,000</u>
TOTAL EXPENDITURES	<u>\$273,792</u>	<u>\$244,071</u>	<u>\$ 29,721</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Local Option Sales Tax	\$ <u>326,309</u>	\$ <u>379,943</u>	\$ <u>53,634</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>15,549</u>	<u>15,549</u>
<u>NON-REVENUE</u>			
Transfer from General Fund	<u>22,500</u>	<u>-</u>	<u>(22,500)</u>
TOTAL REVENUES	\$<u>348,809</u>	\$<u>395,492</u>	\$ <u>46,683</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL GOVERNMENT SERVICES</u>			
Other Maintenance Services:			
Capital Outlay	\$ <u>164,687</u>	\$ <u>164,229</u>	\$ <u>458</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to Fine and Forfeiture Fund	347,807	347,807	-
Transfer to Debt Service Fund	<u>30,000</u>	<u>30,000</u>	<u>-</u>
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>377,807</u>	<u>377,807</u>	<u>-</u>
TOTAL EXPENDITURES	\$ <u>542,494</u>	\$ <u>542,036</u>	\$ <u>458</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, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>FINES AND COSTS</u>			
Court Fines	<u>\$24,500</u>	<u>\$35,424</u>	<u>\$10,924</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earned	<u>-</u>	<u>591</u>	<u>591</u>
<u>TOTAL REVENUES</u>	<u>\$24,500</u>	<u>\$36,015</u>	<u>\$11,515</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, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>NON-EXPENDITURE DISBURSEMENT</u>			
Interfund Transfer:			
Transfer to General Fund	\$ <u>36,692</u>	\$ <u>36,692</u>	\$ <u>-</u>
TOTAL EXPENDITURES	\$ <u>36,692</u>	\$ <u>36,692</u>	\$ <u>-</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
State Grants:			
Physical Environment	\$ <u>50,000</u>	\$ <u>144,840</u>	\$ <u>94,840</u>
<u>MISCELLANEOUS REVENUE</u>			
Solid Waste Special Assessment	565,000	576,181	11,181
Interest Earnings	-	44,343	44,343
Other	<u>10,000</u>	<u>19,655</u>	<u>9,655</u>
TOTAL MISCELLANEOUS REVENUE	<u>575,000</u>	<u>640,179</u>	<u>65,179</u>
TOTAL REVENUES	<u>\$625,000</u>	<u>\$785,019</u>	<u>\$160,019</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>PHYSICAL ENVIRONMENT</u>			
Garbage/Solid Waste Disposal:			
Landfill/Refuse:			
Personal Services	\$ 130,024	\$ 150,010	\$(19,986)
Operating Expenses	1,158,770	665,614	493,156
Capital Outlay	<u>214,700</u>	<u>228,954</u>	<u>(14,254)</u>
TOTAL EXPENDITURES	<u>\$1,503,494</u>	<u>\$1,044,578</u>	<u>\$458,916</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
State Grants:			
Public Safety	\$ <u>-</u>	<u>\$34,937</u>	<u>\$34,937</u>
<u>CHARGES FOR SERVICES</u>			
Public Safety:			
Emergency Service Fees	<u>30,000</u>	<u>34,241</u>	<u>4,241</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>3,274</u>	<u>3,274</u>
TOTAL REVENUES	<u>\$30,000</u>	<u>\$72,452</u>	<u>\$42,452</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (<u>UNFAVORABLE</u>)
<u>PUBLIC SAFETY</u>			
Emergency and Disaster Relief Services:			
Emergency Communications System Operating Expenses	\$ <u>37,720</u>	\$ <u>14,516</u>	\$ <u>23,204</u>
TOTAL EXPENDITURES	\$ <u>37,720</u>	\$ <u>14,516</u>	\$ <u>23,204</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>INTERGOVERNMENTAL REVENUE</u>			
State Shared Revenue:			
Transportation			
Gasoline Tax - 5th and 6th			
Cent	\$ <u>318,150</u>	\$ <u>294,779</u>	\$ <u>(23,371)</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>9,863</u>	<u>9,863</u>
<u>NON-REVENUES</u>			
Transfer from County			
Transportation Trust Fund	210,000	210,000	-
Transfer from Local Option			
Sales Tax Fund	<u>30,000</u>	<u>30,000</u>	<u>-</u>
TOTAL NON-REVENUES	<u>240,000</u>	<u>240,000</u>	<u>-</u>
TOTAL REVENUES	\$ <u>558,150</u>	\$ <u>544,642</u>	\$ <u>13,508</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1997

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>DEBT SERVICE</u>			
Principal Retirement	\$311,667	\$311,667	\$ -
Interest	<u>245,576</u>	<u>239,116</u>	<u>6,460</u>
TOTAL EXPENDITURES	<u>\$557,243</u>	<u>\$550,783</u>	<u>\$ 6,460</u>

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

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

January 8, 1998

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, 1997, and have issued our report thereon dated January 8, 1998.

We have issued our Independent Auditor's Report On Internal Control Structure and our Independent Auditor's Report On Compliance With Laws and Regulations both dated January 8, 1998. 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 irregularities reported in the preceding annual financial audit report have been corrected. There were no irregularities 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, 1997, 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, 1997.

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, rules, and regulations which may or may not materially affect 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 financial statements); failures to properly record financial transactions; and other inaccuracies, irregularities, shortages, and defalcations discovered by 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.

Betts, Rogers, Schuch, & Jones

Jefferson County, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 1997

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts*</u>	<u>Disbursements</u>
<u>U.S. Department of HUD</u>				
Direct Programs:				
Section 8	14.156**	N/A	\$550,520	\$487,386
Passed Through State				
Department of Community Affairs:				
Community Development Block Grant	14.219	96DB-1E-02-43-01-N32	<u>42,467</u>	<u>42,467</u>
TOTAL DEPARTMENT OF HUD			<u>\$592,987</u>	<u>\$529,853</u>
<u>U.S. Department of Energy</u>				
Passed Through State				
Department of Community Affairs:				
Weatherization Assistance for				
Low-Income Persons	81.042	97-WX-4D-02-43-01-012	\$ 41,848	\$ 41,848
Weatherization Assistance for				
Low-Income Persons	81.042	97-LH-6R-02-43-01-012	27,401	27,381
Weatherization Assistance for				
Low-Income Persons	81.042	97-LE-62-02-43-01-012	<u>6,157</u>	<u>5,316</u>
TOTAL DEPARTMENT OF ENERGY			<u>\$ 75,406</u>	<u>\$ 74,545</u>
<u>U.S. Department of Agriculture</u>				
Passed Through State				
Department of Health:				
Food Distribution	10.550	3595	\$ <u>4,294</u>	\$ <u>4,294</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 4,294</u>	<u>\$ 4,294</u>

Jefferson County, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED
For the year ended September 30, 1997

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts*</u>	<u>Disbursements</u>
<u>U.S. Federal Emergency Management Agency</u>				
Passed Through State:				
Department of Community Affairs:				
Emergency Management Assistance	83.503	97-EM-7T-02-43-10-033	\$ 23,200	\$ 23,200
Emergency Management Assistance	83.503	97-CP-05-02-43-01-033	<u>61,473</u>	<u>61,473</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			<u>\$ 84,673</u>	<u>\$ 84,673</u>
<u>U.S. Department of Health and Human Services</u>				
Passed Through State Department of				
Community Affairs:				
Community Services Block Grant	13.792	97-SB-7M-02-43-01-045	\$ 6,046	\$ 5,873
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>\$ 6,046</u>	<u>\$ 5,873</u>
<u>U.S. Department of Justice</u>				
Passed Through State Department				
of Community Affairs:				
Community Policing Services	16.710	95-CF-WX-5667	\$ 26,538	\$ 26,538
Anti-Drug Abuse Act	16.579	97-CJ-6J-02-43-01-185	<u>89,514</u>	<u>89,514</u>
TOTAL DEPARTMENT OF JUSTICE			<u>\$116,052</u>	<u>\$ 116,052</u>
TOTAL FEDERAL ASSISTANCE			<u>\$879,458</u>	<u>\$ 815,290</u>
State Assistance:				
Department of Environmental Protection				
Recycling and Education Grant	N/A	RE 97-31	\$ 74,447	\$ 74,447
Waste Tire Grant	N/A	WT 97-33	8,340	8,340
Solid Waste Grant	N/A	SC 97-18	50,000	50,000
Litter Control and Prevention Grant	N/A	LC 97-31	10,578	10,578
Recreation and Development Grant	N/A	F9527	<u>28,753</u>	<u>28,753</u>
TOTAL DEPARTMENT OF ENVIRONMENTAL PROTECTION			<u>\$172,118</u>	<u>\$ 172,118</u>

Jefferson County, Florida
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED
For the year ended September 30, 1997

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts*</u>	<u>Disbursements</u>
Department of State:				
State Aid to Libraries	N/A	97 ST-71***	\$ <u>75,719</u>	\$ <u>75,719</u>
TOTAL DEPARTMENT OF STATE			\$ <u>75,719</u>	\$ <u>75,719</u>
Department of Community Affairs:				
State Housing Initiatives Partnership	N/A	SHIP 96-97	\$ <u>250,315</u>	\$ <u>217,950</u>
TOTAL DEPARTMENT OF COMMUNITY AFFAIRS			\$ <u>250,315</u>	\$ <u>217,950</u>
Department of Health				
Emergency Medical Services	N/A	M6127	\$ <u>81,225</u>	\$ <u>81,225</u>
TOTAL DEPARTMENT OF HEALTH			\$ <u>81,225</u>	\$ <u>81,225</u>
Department of Management Services				
911 Service Enhancement Grant	N/A	N/A	\$ <u>34,937</u>	\$ <u>34,937</u>
TOTAL DEPARTMENT OF MANAGEMENT SERVICES			\$ <u>34,937</u>	\$ <u>34,937</u>
TOTAL STATE ASSISTANCE			\$ <u>614,314</u>	\$ <u>81,949</u>
TOTAL FEDERAL AND STATE ASSISTANCE			\$ <u>1,493,772</u>	\$ <u>1,397,239</u>

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

**Indicates a major program.

***Indicates state grants and aids appropriation.

January 8, 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 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, 1997, and have issued our report thereon dated January 8, 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 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, including those applicable to state grants and aids appropriations identified in the Schedule of Contract and Grant Activity, pursuant to Section 216.349, Florida Statutes, and Chapter 10.600, Rules of the Auditor General, 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.

Bitts, Royn, Schuch, & Jones

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, 1997. 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, 1997.

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.

Bitts, Ragun, Schuch, & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

CLERK OF THE CIRCUIT COURT

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

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.

BETTS, ROGERS, SCHENCK & JONES
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION
December 4, 1997

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

INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners and
The Honorable 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, 1997 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 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, 1997, 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 4, 1997 on our consideration of the Clerk of the Circuit Court's internal control structure and a report dated December 4, 1997 on its compliance with laws and regulations.

Betts, Rogers, Schenck & Jones

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

COMBINED BALANCE SHEET

September 30, 1997

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM) ONLY</u>
ASSETS			
Cash	\$ -	\$119,674	\$119,674
Accounts receivable	<u>-</u>	<u>343</u>	<u>343</u>
Total assets	<u>\$ -</u>	<u>\$120,017</u>	<u>\$120,017</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other governments	\$ -	\$ 93,945	\$ 93,945
Deposits held in escrow	<u>-</u>	<u>26,072</u>	<u>26,072</u>
Total liabilities	-	120,017	120,017
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$120,017</u>	<u>\$120,017</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, 1997

	<u>SUSPENSE</u>	<u>COURT</u>	<u>TAX</u>	<u>TOTALS</u>
	<u>ACCOUNT</u>	<u>REGISTRY</u>	<u>REDEMPTION</u>	<u>(MEMORANDUM</u>
				<u>ONLY)</u>
ASSETS				
Cash	\$107,370	\$12,304	\$ -	\$119,674
Accounts receivable	<u>343</u>	<u>-</u>	<u>-</u>	<u>343</u>
Total assets	<u>\$107,713</u>	<u>\$12,304</u>	<u>\$ -</u>	<u>\$120,017</u>
LIABILITIES				
Due to other governments	\$ 93,945	\$ -	\$ -	\$ 93,945
Deposits held in escrow	<u>13,768</u>	<u>12,304</u>	<u>-</u>	<u>26,072</u>
Total liabilities	<u>\$107,713</u>	<u>\$12,304</u>	<u>\$ -</u>	<u>\$120,017</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, 1997

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
Clerk's fees	\$185,127	\$229,591	\$ 44,464
County appropriation	<u>168,200</u>	<u>168,200</u>	<u>-</u>
Total revenues	<u>353,327</u>	<u>397,791</u>	<u>44,464</u>
Expenditures			
Salary of official	66,676	66,461	215
Other salaries and benefits	228,712	230,205	(1,493)
Expenses other than salaries	34,000	39,157	(5,157)
Capital outlay	<u>23,939</u>	<u>13,170</u>	<u>10,769</u>
Total expenditures	<u>353,327</u>	<u>348,993</u>	<u>4,334</u>
Excess of revenues over expenditures	<u>\$ -</u>	-	<u>\$ 48,798</u>
Fund balance - beginning of year		-	
Less: Amount reverting to Board of County Commissioners		<u>48,798</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, 1997

	<u>AGENCY FUNDS</u>			TOTALS
	SUSPENSE	COURT	TAX	(MEMORANDUM
	ACCOUNT	REGISTRY	REDEMPTION	ONLY)
Receipts:				
Collection of fines	\$ 537,332	\$ -	\$ -	\$ 537,332
Documentary and surtax stamps	246,075	-	-	246,075
Fees for services	204,932	-	-	204,932
Intangible taxes	58,214	-	-	58,214
Individual and child support	908,021	-	-	908,021
Deposits received	317,045	6,200	1,537	324,782
Interest earned	<u>-</u>	<u>549</u>	<u>-</u>	<u>549</u>
Total receipts	<u>2,271,619</u>	<u>6,749</u>	<u>1,537</u>	<u>2,279,905</u>
Disbursements:				
Disbursement of fines	458,861	-	-	458,861
Documentary and surtax stamps	246,085	-	-	246,085
Disbursement of fees	167,695	-	-	167,695
Disbursement of intan- gible taxes	58,214	-	-	58,214
Individual and child support	908,021	-	-	908,021
Deposits distributed	<u>443,316</u>	<u>7,997</u>	<u>1,537</u>	<u>452,850</u>
Total disbursements	<u>2,282,192</u>	<u>7,997</u>	<u>1,537</u>	<u>2,291,726</u>
Excess of receipts over (under) disbursements	(10,573)	(1,248)	-	(11,821)
Beginning cash balances	<u>117,943</u>	<u>13,552</u>	<u>-</u>	<u>131,495</u>
Ending cash balances	<u>\$ 107,370</u>	<u>\$ 12,304</u>	<u>\$ -</u>	<u>\$ 119,674</u>

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

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

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, 1997

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, 1997

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, 1997

NOTE 3 - CASH

Cash Deposits

At September 30, 1997, the carrying amount of the Jefferson County Clerk's deposits was \$119,674 and the bank balance was \$179,186. 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 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 \$232,179. The total payroll for the year ended September 30, 1997 was \$232,179.

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, 1997

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 17.43% of the compensation for regular members and 27.99% for elected officials. During the year ended September 30, 1997, the Jefferson County Clerk contributed \$47,279 to the System for covered employees, which represents 20.36% 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, 1996, was \$51.4 billion. (The June 30, 1997 actuarial valuation is not available.) The System's net assets available for benefits on that date valued at cost and market were \$39.2 and \$49.1 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$12.2 and \$2.3 billion, 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 1996-97 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, 1997

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, 1996.

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

CLERK OF THE CIRCUIT COURT

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

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.

BETTS, ROGERS, SCHENCK & JONES

CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL ASSOCIATION

December 4, 1997

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

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, 1997, and have issued our report thereon dated December 4, 1997.

We have issued our Independent Auditor's Report on Internal Control Structure and our Independent Auditor's Report on Compliance With Laws and Regulations both dated December 4, 1997. 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 irregularities reported in the preceding annual financial audit report have been corrected. There were no irregularities 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 Courts, for the fiscal year ended September 30, 1997, 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, 1997.

The Rules of the Auditor General (Section 10.554 (1)(e)5.) require that a statement be included in the management letter as to whether or not the Clerk of the Circuit Court has complied with Section 28.24 (15)(d)., Florida Statutes, regarding the collection and use of Public Record Modernization Trust Fund moneys, and, if not, a description of such noncompliance. In connection with our audit, 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 Record Modernization Trust Fund money.

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, and regulations which may or may not materially affect 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 financial statements); failures to properly record financial transactions; and other inaccuracies, irregularities, shortages, and defalcations discovered by 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.

Beltz, Rogers, Ashmuck & Jones

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December 4, 1997

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF BASIC 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, 1997, and have issued our report thereon dated December 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The Clerk of the Circuit Court is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Clerk of the Circuit Court for the year ended September 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and

we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

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.

Pette, Rogan, Schuch & Jones

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December 4, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON
AN AUDIT OF BASIC 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, 1997, and have issued our report thereon dated December 4, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to the Clerk of the Circuit Court of Jefferson County, Florida is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Clerk's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

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

Betts, Rogers, Schenck & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

SUPERVISOR OF ELECTIONS

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

BEN F. BETTS, JR., C.P.A.
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November 13, 1997

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, 1997 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 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, 1997, 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 13, 1997 on our consideration of the Jefferson County, Florida Supervisor of Elections' internal control structure and a report dated November 13, 1997 on its compliance with laws and regulations.

Betts, Rogers, Schenck, & Jones

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

COMBINED BALANCE SHEET

September 30, 1997

	<u>GENERAL FUND</u>	<u>AGENCY FUND (NOTE B)</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
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, 1997

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$140,846	\$140,846	\$ -
Interest earned	<u>-</u>	<u>152</u>	<u>152</u>
Total revenues	<u>140,846</u>	<u>140,998</u>	<u>152</u>
Expenditures			
Salary of official	54,422	54,406	16
Other salaries and benefits	50,684	46,035	4,649
Operating expenses	24,817	22,851	1,966
Capital outlay	<u>10,923</u>	<u>10,923</u>	<u>-</u>
Total expenditures	<u>140,846</u>	<u>134,215</u>	<u>6,631</u>
Excess of revenues over expenditures	<u>\$ -</u>	6,783	<u>\$ 6,783</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>6,783</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, 1997

	<u>AGENCY FUND</u>
Receipts	
Candidate qualifying fees	\$ <u>1,237</u>
Disbursements	
Democratic Executive Committee	825
Division of Elections	<u>412</u>
Total disbursements	<u>1,237</u>
Excess of receipts over disbursements	-
Beginning cash balance	-
Ending cash balance	\$ <u><u>-</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, 1997

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, 1997

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 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, 1997

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Concluded)

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.

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
Supervisor of Elections**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1997

NOTE 3 - CASH

Cash Deposits

At September 30, 1997, the carrying amount of the Jefferson County Supervisor's deposits was \$-0- and the bank balance was \$11,132. 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 \$62,397. The total payroll for the year ended September 30, 1997 was \$66,357.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1997

NOTE 4 - EMPLOYEE BENEFITS (Continued)

Pension Plan (Continued)

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 17.43% of the compensation for regular members and 27.99% for elected officials. During the year ended September 30, 1997, the Jefferson County Supervisor of Elections contributed \$16,633 to the System for covered employees, which represents 26.67% 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, 1996, was \$51.4 billion. (The June 30, 1997 actuarial valuation is not currently available.) The System's net assets available for benefits on that date valued at cost and market were \$39.2 and \$49.1 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$12.2 and \$2.3 billion, 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 1996-97 contribution represented less than 1% of the total contribution required by all participating entities.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1997

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, 1996.

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

SUPERVISOR OF ELECTIONS

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

BETTS, ROGERS, SCHENCK & JONES
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November 13, 1997

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, 1997, and have issued our report thereon dated November 13, 1997.

We have issued our Independent Auditor's Report on Internal Control Structure and our Independent Auditor's Report on Compliance With Laws and Regulations both dated November 13, 1997. 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 irregularities reported in the preceding annual financial audit report have been corrected. There were no irregularities 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. The one recommendation made in the preceding annual financial audit report has been implemented.

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, 1997, 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, 1997.

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, and regulations which may or may not materially affect 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 financial statements); failures to properly record financial transactions; and other inaccuracies, irregularities, shortages, and defalcations discovered by 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.

Betts, Rogers, Schenck & Jones

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November 13, 1997

To the Honorable Donna Sorenson Cocroft
Supervisor of Elections
Jefferson County, Florida

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the Supervisor of Elections of Jefferson County, Florida as of and for the year ended September 30, 1997, and have issued our report thereon dated November 13, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The Supervisor of Elections is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Supervisor of Elections for the year ended September 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

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.

Betty Rogers, Schuch & Jones

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.

BETTS, ROGERS, SCHENCK & JONES
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PROFESSIONAL ASSOCIATION

MEMBERS
PRIVATE COMPANIES
PRACTICE SECTION OF THE
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FLORIDA INSTITUTE OF CERTIFIED
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November 13, 1997

To the Honorable Donna Sorensen Cocroft
Supervisor of Elections
Jefferson County, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the Supervisor of Elections of Jefferson County, Florida as of and for the year ended September 30, 1997, and have issued our report thereon dated November 13, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to the Supervisor of Elections of Jefferson County, Florida is the responsibility of the Supervisor. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Supervisor of Elections' compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

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

Betts, Rogers, Schenck & Jones

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FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

PROPERTY APPRAISER

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

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

November 3, 1997

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, 1997 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 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, 1997, 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 3, 1997 on our consideration of the Jefferson County, Florida Property Appraiser's internal control structure and a report dated November 3, 1997 on its compliance with laws and regulations.

Betts, Rogers, Schenck, & Jones

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

COMBINED BALANCE SHEET

September 30, 1997

	<u>GENERAL FUND</u>	<u>AGENCY FUND (NOTE B)</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ <u>-</u>	\$ <u>96</u>	\$ <u>96</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Deposits held in escrow	\$ <u>-</u>	\$ <u>96</u>	\$ <u>96</u>
Total liabilities	-	96	96
 Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>-</u>	\$ <u>96</u>	\$ <u>96</u>

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

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

Year ended September 30, 1997

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
County appropriation	\$279,769	\$279,769	\$ -
Interest earned	<u>-</u>	<u>696</u>	<u>696</u>
Total revenues	<u>279,769</u>	<u>280,465</u>	<u>696</u>
Expenditures			
Salary of official	66,707	66,707	-
Other salaries and benefits	134,066	128,164	5,902
Operating expenses	71,065	41,351	29,714
Capital outlay	<u>7,931</u>	<u>6,656</u>	<u>1,275</u>
Total expenditures	<u>279,769</u>	<u>242,878</u>	<u>36,891</u>
Excess of revenues over expenditures	<u>\$ -</u>	37,587	<u>\$37,587</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>37,587</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, 1997

	<u>AGENCY FUND</u>
Receipts	
Aerial print & map sales	\$1,900
Real property tag fees	43
Water Management District Commissions	<u>2,546</u>
Total receipts	4,489
Disbursements	
Board of County Commissioners	<u>4,489</u>
Excess of receipts over disbursements	-0-
Beginning cash balance	<u>96</u>
Ending cash balance	\$ <u><u>96</u></u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

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, 1997

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 Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

■ **Fiduciary Funds:**

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

Measurement Focus

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

Basis of Accounting

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1997

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Concluded)

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, 1997

NOTE 3 - CASH

Cash Deposits

At September 30, 1997, the carrying amount of the Jefferson County Property Appraiser's deposits was \$96 and the bank balance was \$48,166. 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 \$150,169. The total payroll for the year ended September 30, 1997 was \$150,169.

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

County of Jefferson, Florida
Property Appraiser

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1997

NOTE 4 - EMPLOYEE BENEFITS (Continued)

Pension Plan (Continued)

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 Property Appraiser, are required to contribute 17.43% of the compensation for regular members and 27.99% for elected officials. During the year ended September 30, 1997, the Jefferson County Property Appraiser contributed \$33,219 to the System for covered employees, which represents 22.12% 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, 1996, was \$51.4 billion. (The June 30, 1997 actuarial valuation is not currently available.) The System's net assets available for benefits on that date valued at cost and market were \$39.2 and \$49.1 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$12.2 and \$2.3 billion, 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 1996-97 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, 1997

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, 1996.

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

**PROPERTY APPRAISER
THE COUNTY OF JEFFERSON, FLORIDA
SEPTEMBER 30, 1997**

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

MEMBERS
PRIVATE COMPANIES
PRACTICE SECTION OF THE
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PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED
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November 3, 1997

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, 1997, and have issued our report thereon dated November 3, 1997.

We have issued our Independent Auditor's Report on Internal Control Structure and our Independent Auditor's Report on Compliance With Laws and Regulations both dated November 3, 1997. 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 irregularities reported in the preceding annual financial audit report have been corrected. There were no irregularities 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, 1997, 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, 1997.

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, and regulations which may or may not materially affect 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 financial statements); failures to properly record financial transactions; and other inaccuracies, irregularities, shortages, and defalcations discovered by 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.

Betts, Roger, Achenbach, & Jones

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November 3, 1997

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF BASIC 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, 1997, and have issued our report thereon dated November 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The Property Appraiser is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Property Appraiser for the year ended September 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing

our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

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, Rogers, Schuch, Jones

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November 3, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON
AN AUDIT OF BASIC 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, 1997, and have issued our report thereon dated November 3, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to the Property Appraiser of Jefferson County, Florida is the responsibility of the Property Appraiser. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Property Appraiser's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

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

Betts, Rogers, Schenck, & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

TAX COLLECTOR

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

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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October 31, 1997

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, 1997, 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 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, 1997, 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 October 31, 1997 on our consideration of the Jefferson County, Florida Tax Collector's internal control structure and a report dated October 31, 1997 on its compliance with laws and regulations.

Betts, Rogers, Schenck, Jones

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

COMBINED BALANCE SHEET

September 30, 1997

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ -	\$84,390	\$84,390
Due from individuals	<u>-</u>	<u>1,986</u>	<u>1,986</u>
Total assets	<u>\$ -</u>	<u>\$86,376</u>	<u>\$86,376</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other agencies	\$ -	\$86,226	\$86,226
Deposits held in escrow	<u>-</u>	<u>150</u>	<u>150</u>
Total liabilities	-	86,376	86,376
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$86,376</u>	<u>\$86,376</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, 1997

	<u>TAX ACCOUNT</u>	<u>TAG ACCOUNT</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$79,647	\$4,743	\$84,390
Due from individuals	<u>-</u>	<u>1,986</u>	<u>1,986</u>
Total assets	<u><u>\$79,647</u></u>	<u><u>\$6,729</u></u>	<u><u>\$86,376</u></u>
LIABILITIES			
Due to other agencies	\$79,647	\$6,579	\$86,226
Deposits held in escrow	<u>-</u>	<u>150</u>	<u>150</u>
Total liabilities	<u><u>\$79,647</u></u>	<u><u>\$6,729</u></u>	<u><u>\$86,376</u></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, 1997

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
County appropriation	\$227,430	\$227,430	\$ -
Fees and other	<u>-</u>	<u>261,089</u>	<u>261,089</u>
Total revenues	<u>227,430</u>	<u>488,519</u>	<u>261,089</u>
Expenditures			
Personal services	196,385	193,138	3,247
Operating expenses	31,045	39,172	(8,127)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>227,430</u>	<u>232,310</u>	<u>(4,880)</u>
Excess of revenues over expenditures	\$ <u>-</u>	256,209	<u>\$256,209</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>256,209</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, 1997

	<u>AGENCY FUNDS</u>		
	<u>TAX ACCOUNT</u>	<u>TAG ACCOUNT</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
Receipts			
Real and personal property taxes	\$5,490,188	\$ -	\$5,490,188
Special assessments	5,252	-	5,252
Tax certificates redeemed	214,020	-	214,020
Other	38,698	28,003	66,701
Motor vehicle tags and titles	-	1,973,793	1, 973,793
Boat titles and registrations	-	10,113	10,113
Sales tax	-	711,912	711,912
Hunting and fishing licenses	-	54,674	54,674
Driver licenses	-	6,374	6,374
Interest	<u>3,702</u>	<u>-</u>	<u>3,702</u>
Total receipts	<u>5,751,860</u>	<u>2,784,869</u>	<u>8,536,729</u>
Disbursements:			
Disbursement of real and personal property taxes	5,460,864	-	5,460,864
State of Florida	-	2,756,619	2,756,619
Proceeds-tax certificates redeemed	202,323	-	202,323
Special assessments	5,252	-	5,252
Other	67,782	25,314	93,096
Interest	<u>3,971</u>	<u>-</u>	<u>3,971</u>
Total disbursements	<u>5,740,192</u>	<u>2,781,933</u>	<u>8,522,125</u>
Excess of receipts over disbursements	11,668	2,936	14,604
Beginning cash balances	<u>67,979</u>	<u>1,807</u>	<u>69,786</u>
Ending cash balances	<u>\$ 79,647</u>	<u>\$ 4,743</u>	<u>\$ 84,390</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

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, 1997

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 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, 1997

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Concluded)

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 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, 1997

NOTE 3 - CASH

Cash Deposits

At September 30, 1997, the carrying amount of the Jefferson County Tax Collector's deposits was \$84,240 and the bank balance was \$268,010. 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 \$147,655. The total payroll for the year ended September 30, 1997 was \$147,655.

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, 1997

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 17.43% of the compensation for regular members and 27.99% for elected officials. During the year ended September 30, 1997, the Jefferson County Tax Collector contributed \$32,866 to the System for covered employees, which represents 22.26% 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, 1996, was \$51.4 billion. (The June 30, 1997 actuarial valuation is not currently available.) The System's net assets available for benefits on that date valued at cost and market were \$39.2 and \$49.1 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$12.2 and \$2.3 billion, 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 1996-97 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, 1997

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, 1996.

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

TAX COLLECTOR

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

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.

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

MEMBERS
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PRACTICE SECTION OF THE
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FLORIDA INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

October 31, 1997

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, 1997, and have issued our report thereon dated October 31, 1997.

We have issued our Independent Auditor's Report on Internal Control Structure and our Independent Auditor's Report on Compliance With Laws and Regulations both dated October 31, 1997. 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 irregularities reported in the preceding annual financial audit report have been corrected. There were no irregularities reported 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, 1997, 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, 1997.

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, and regulations which may or may not materially affect 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 financial statements); failures to properly record financial transactions; and other inaccuracies, irregularities, shortages, and defalcations discovered by 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.

Bette, Rogers, Schuch, Jones

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October 31, 1997

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF BASIC 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, 1997, and have issued our report thereon dated October 31, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The Tax Collector is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Tax Collector for the year ended September 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control

risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

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

Bette, Rogers, Schuch, & Jones

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October 31, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON
AN AUDIT OF BASIC 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, 1997, and have issued our report thereon dated October 31, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to the Tax Collector of Jefferson County, Florida is the responsibility of the Tax Collector. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Tax Collector's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

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

Betts, Rogers, Schenck, & Jones

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

SHERIFF

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

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 25, 1997

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, 1997, 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 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, 1997, 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 a report dated November 25, 1997 on our consideration of the Jefferson County, Florida Sheriff's internal control structure and a report dated November 25, 1997 on its compliance with laws and regulations.

Betts, Rogers, Schenck & Jones

**The County of Jefferson, Florida
Sheriff**

COMBINED BALANCE SHEET

September 30, 1997

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS				
Cash	\$15,741	\$ 24,676	\$ -	\$ 40,417
Transportation equipment	-	-	536,059	536,059
Furniture and other equipment	<u>-</u>	<u>-</u>	<u>498,715</u>	<u>498,715</u>
Total assets	<u>\$15,741</u>	<u>\$24,676</u>	<u>\$1,034,774</u>	<u>\$1,075,191</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Deposits held in escrow	\$ -	\$24,676	\$ -	\$ 24,676
Due to other agencies	<u>15,741</u>	<u>-</u>	<u>-</u>	<u>15,741</u>
Total liabilities	15,741	24,676	-	40,417
Fund balances				
Investment in general fixed assets	<u>-</u>	<u>-</u>	<u>1,034,774</u>	<u>1,034,774</u>
Total liabilities and fund balances	<u>\$15,741</u>	<u>\$24,676</u>	<u>\$1,034,774</u>	<u>\$1,075,191</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, 1997

	<u>INDIVIDUAL DEPOSITORS</u>	<u>APPEARANCE BOND</u>	<u>PRISONERS WELFARE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS				
Cash	\$ <u>120</u>	\$ <u>5,385</u>	\$ <u>19,171</u>	\$ <u>24,676</u>
 LIABILITIES				
Deposits held in escrow	\$ <u>120</u>	\$ <u>5,385</u>	\$ <u>19,171</u>	\$ <u>24,676</u>
Total liabilities	\$ <u>120</u>	\$ <u>5,385</u>	\$ <u>19,171</u>	\$ <u>24,676</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, 1997

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$1,552,061	\$1,552,061	\$ -
County appropriation - reserve unit	10,000	10,000	-
Interest earned	<u>-</u>	<u>4,895</u>	<u>4,895</u>
Total revenues	<u>1,562,061</u>	<u>1,566,956</u>	<u>4,895</u>
Expenditures			
Personal services	1,174,267	1,138,217	36,050
Operating expenses	283,510	283,616	(106)
Operating expenses - reserve unit	10,000	10,000	-
Capital Outlay	<u>94,284</u>	<u>120,022</u>	<u>(25,738)</u>
Total expenditures	<u>1,562,061</u>	<u>1,551,855</u>	<u>10,206</u>
Excess of revenues over expenditures	\$ <u>-</u>	15,101	\$ <u>15,101</u>
Fund balances - beginning of year		-	
Less: Amount reverting to Board of County Commissioners		<u>15,101</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, 1997

	<u>AGENCY FUNDS</u>				
	<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	\$10,500	\$ -	\$293	\$ 9,405	\$ 20,198
Cash appearance bonds	<u>-</u>	<u>47,356</u>	<u>-</u>	<u>-</u>	<u>47,356</u>
Total receipts	<u>10,500</u>	<u>47,356</u>	<u>293</u>	<u>9,405</u>	<u>67,554</u>
Disbursements:					
Disbursed to:					
Board of County Commissioners	9,450	-	293	-	9,743
Clerk of the Circuit Court	-	21,673	-	-	21,673
Others	<u>1,190</u>	<u>27,178</u>	<u>-</u>	<u>177</u>	<u>28,545</u>
Total disbursements	<u>10,640</u>	<u>48,851</u>	<u>293</u>	<u>177</u>	<u>59,961</u>
Excess of receipts over (under) disbursements	(140)	(1,495)	-	9,228	7,593
Beginning cash balances	<u>260</u>	<u>6,880</u>	<u>-</u>	<u>9,943</u>	<u>17,083</u>
Ending cash balances	<u>\$ 120</u>	<u>\$ 5,385</u>	<u>\$ -</u>	<u>\$19,171</u>	<u>\$ 24,676</u>

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS

September 30, 1997

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, 1997

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 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, 1997

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Concluded)

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 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, 1997

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, 1997, the carrying amount of the Jefferson County Sheriff's deposits was \$40,417 and the bank balance was \$266,621. 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 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 \$844,796. The total payroll for the year ended September 30, 1997 was \$874,977.

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1997

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 17.43% of the compensation for regular members, 27.10% for high risk employees, and 27.99% for elected officials. During the year ended September 30, 1997, the Jefferson County Sheriff contributed \$205,841 to the System for covered employees, which represents 24.37% 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, 1996, was \$51.4 billion. (The June 30, 1997 actuarial valuation is not currently available.) The System's net assets available for benefits on that date valued at cost and market were \$39.2 and \$49.1 billion, respectively, leaving an unfunded pension obligation valued at cost and market of \$12.2 and \$2.3 billion, 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 County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1997

NOTE 4 - EMPLOYEE BENEFITS (Continued)

Pension Plan (Concluded)

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 1996-97 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, 1996.

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:

	Balance Sept. 30 <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance Sept. 30 <u>1997</u>
Transportation equipment	\$420,525	\$126,980	\$ 11,446	\$ 536,059
Furniture and other equipment	<u>477,795</u>	<u>20,920</u>	<u>-</u>	<u>498,715</u>
	<u>\$898,320</u>	<u>\$147,900</u>	<u>\$11,446</u>	<u>\$1,034,774</u>

Anti-Drug Abuse Grant funds used to purchase equipment during the current year were \$21,900 and total purchases from Grant funds through September 30, 1997 were \$129,834.

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

SHERIFF

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1997

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 25, 1997

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, 1997, and have issued our report thereon dated November 25, 1997.

We have issued our Independent Auditor's Report on Internal Control Structure and our Independent Auditor's Report on Compliance With Laws and Regulations both dated November 25, 1997. 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 irregularities reported in the preceding annual financial audit report have been corrected. There were no irregularities 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, 1997, 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, 1997.

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, and regulations which may or may not materially affect 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 financial statements); failures to properly record financial transactions; and other inaccuracies, irregularities, shortages, and defalcations discovered by 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, 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.
EDGAR A. ROGERS, JR., C.P.A.
JOSEPH T. SCHENCK, C.P.A.
MARK J. JONES, C.P.A.

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November 25, 1997

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF BASIC 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, 1997, and have issued our report thereon dated November 25, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

The Sheriff is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the Sheriff for the year ended September 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

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.

Bella, Rogers, Schuch & Jones

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November 25, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON
AN AUDIT OF BASIC 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, 1997, and have issued our report thereon dated November 25, 1997.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to the Sheriff of Jefferson County, Florida is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Sheriff's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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.

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

Betts, Rogers, Schenck, & Jones