

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

SEPTEMBER 30, 1996

THE COUNTY OF JEFFERSON, FLORIDA
COMBINED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
SEPTEMBER 30, 1996

C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT	9
GENERAL PURPOSE FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	10-11
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES	12
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES	13-15
NOTES TO COMBINED FINANCIAL STATEMENTS	16-30
SUPPLEMENTAL INFORMATION	31
AGENCY FUNDS	
COMBINING BALANCE SHEET - ALL AGENCY FUNDS	32
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS	33-35
BOARD OF COUNTY COMMISSIONERS	36
INDEPENDENT AUDITORS' REPORT	37
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	38
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES	39
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES	40-42
NOTES TO FINANCIAL STATEMENTS	43-57
SUPPLEMENTAL INFORMATION	58

C O N T E N T S

	Page
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS	59-60
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL SPECIAL REVENUE FUNDS	61-65
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - GENERAL FUND	66-67
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - GENERAL FUND	68-74
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - CAPITAL PROJECT FUNDS	75
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CAPITAL PROJECTS FUND	76
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - FINE AND FORFEITURE FUND	77
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - FINE AND FORFEITURE FUND	78
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - GRANTS FUND	79
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - GRANTS FUND	80
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - COUNTY TRANSPORTATION TRUST FUND	81
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - COUNTY TRANSPORTATION TRUST FUND	82
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - FIRE DISTRICT FUND	83

C O N T E N T S

	Page
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - FIRE DISTRICT FUND	84
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - LOCAL OPTION SALES TAX FUND	85
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - LOCAL OPTION SALES TAX FUND	86
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - LOCAL GOVERNMENT CRIMINAL JUSTICE FUND	87
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - LOCAL GOVERNMENT CRIMINAL JUSTICE FUND	88
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - SOLID WASTE TRUST FUND	89
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - SOLID WASTE TRUST FUND	90
STATEMENT OF REVENUES - BUDGETED AND ACTUAL 911 FUND	91
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - 911 FUND	92
STATEMENT OF REVENUES - BUDGETED AND ACTUAL - DEBT SERVICE FUND	93
STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - DEBT SERVICE FUND	94
MANAGEMENT LETTER	95-96
INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE	97

C O N T E N T S

	Page
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE	98-100
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	101-102
INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS	103-105
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	106
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS	107-108
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS	109
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS	110
CLERK OF THE CIRCUIT COURT	111
INDEPENDENT AUDITORS' REPORT	112
COMBINED BALANCE SHEET	113
COMBINING BALANCE SHEET - ALL AGENCY FUNDS	114
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND	115
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS	116

C O N T E N T S

	Page
NOTES TO FINANCIAL STATEMENTS	117-122
MANAGEMENT LETTER	124-125
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	126-127
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	128
SUPERVISOR OF ELECTIONS	129
INDEPENDENT AUDITORS' REPORT	130
COMBINED BALANCE SHEET	131
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND	132
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCE - AGENCY FUND	133
NOTES TO FINANCIAL STATEMENTS	134-139
MANAGEMENT LETTER	141-143
INDEPEDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDITO OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	144-145
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	146

C O N T E N T S

	Page
PROPERTY APPRAISER	147
INDEPENDENT AUDITORS' REPORT	148
COMBINED BALANCE SHEET	149
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND	150
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUND	151
NOTES TO FINANCIAL STATEMENTS	152-157
MANAGEMENT LETTER	159-160
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDITO OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	161-162
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	163
TAX COLLECTOR	164
INDEPENDENT AUDITORS' REPORT	165
COMBINED BALANCE SHEET	166
COMBINING BALANCE SHEET - ALL AGENCY FUNDS	167
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND	168
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS	169
NOTES TO FINANCIAL STATEMENTS	170-175

C O N T E N T S

	Page
MANAGEMENT LETTER	177-178
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	179-180
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	181
SHERIFF	182
INDEPENDENT AUDITORS' REPORT	183
COMBINED BALANCE SHEET	184
COMBINING BALANCE SHEET - ALL AGENCY FUNDS	185
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND	186
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS	187
NOTES TO FINANCIAL STATEMENTS	188-193
MANAGEMENT LETTER	195-196
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	197-198
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	199

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

December 31, 1996

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, 1996, 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, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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, 1996, 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 December 31, 1996 on our consideration of the internal control structure of the Board of County Commissioners of the County of Jefferson, Florida and a report dated December 31, 1996 on its compliance with laws and regulations.

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.



The County of Jefferson, Florida
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
September 30, 1996

<u>GOVERNMENTAL FUND TYPES</u>				
ASSETS	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>
Cash	\$ 352,952	\$ 362,852	\$ -	\$ -
Investments (Note B)	751,019	173,449	2,053,066	265,346
Accounts receivable (Note C)	274,895	-	-	-
Accrued interest receivable	5,694	6,505	9,020	-
Due from other governments	135,968	302,929	68	-
Due from other agencies	-	5,265	-	-
Due from other funds (Note I)	-	1,512,210	-	-
Inventory of supplies (Note D)	-	18,027	-	-
Fixed assets (Note K)	-	-	-	-
Amounts to be provided	-	-	-	-
Total assets	<u>\$1,520,528</u>	<u>\$2,381,237</u>	<u>\$2,062,154</u>	<u>\$265,346</u>
 LIABILITIES AND FUND EQUITY				
Liabilities				
Notes payable (Note E)	\$ -	\$ -	\$ -	\$ -
Installment purchase obligations (Note E)	-	-	-	-
Accounts payable	68,406	148,934	3,822	-
Due to other governments	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds (Note I)	746,927	362,675	400,738	1,870
Deposits held in escrow	4,840	-	-	-
Revenues collected in advance	22,109	-	-	-
Contingencies (Note F)	-	-	-	-
Total liabilities	<u>842,282</u>	<u>511,609</u>	<u>404,560</u>	<u>1,870</u>
 Fund equity				
Investment in general fixed assets	-	-	-	-
General fixed assets acquired by gift	-	-	-	-
Fund balances				
Reserved (Note M)	-	130,718	1,657,594	263,476
Unreserved - Undesignated	678,246	1,738,910	-	-
Total fund equity	<u>678,246</u>	<u>1,869,628</u>	<u>1,657,594</u>	<u>263,476</u>
Total liabilities and fund equity	<u>\$1,520,528</u>	<u>\$2,381,237</u>	<u>\$2,062,154</u>	<u>\$265,346</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, 1996

	FIDUCIARY FUND TYPES	ACCOUNT GROUP		TOTAL (Note G) (MEMORANDUM ONLY)
		AGENCY	GENERAL FIXED ASSETS	
ASSETS				
Cash	\$218,460	\$ -	\$ -	\$ 934,264
Investments (Note B)	-	-	-	3,242,880
Accounts receivable (Note C)	400	-	-	275,295
Accrued interest receivable	-	-	-	21,219
Due from other governments	-	-	-	438,965
Due from other agencies	1,194	-	-	6,459
Due from other funds (Note I)	-	-	-	1,512,210
Inventory of supplies (Note D)	-	-	-	18,027
Fixed assets (Note K)	-	11,689,648	-	11,689,648
Amounts to be provided	-	-	1,621,570	1,621,570
Total assets	\$220,054	\$11,689,648	\$1,621,570	\$19,760,537
LIABILITIES AND FUND EQUITY				
Liabilities				
Note payable (Note E)	\$ -	\$ -	\$1,172,729	\$ 1,172,729
Installment purchase obligations (Note E)	-	-	448,841	448,841
Accounts payable	-	-	-	221,162
Due to other governments	105,343	-	-	105,343
Due to other agencies	70,830	-	-	70,830
Due to other funds (Note I)	-	-	-	1,512,210
Deposits held in escrow	43,881	-	-	48,721
Revenues collected in advance	-	-	-	22,109
Contingencies (Note F)	-	-	-	-
Total liabilities	220,054	-	1,621,570	3,601,945
Fund equity				
Investment in general fixed assets	-	10,212,228	\$ -	10,212,228
General fixed assets acquired by gift	-	1,477,420	-	1,477,420
Fund balances				
Reserved (Note M)	-	-	-	2,051,788
Unreserved - Undesignated	-	-	-	2,417,156
Total fund equity	-	11,689,648	-	16,158,592
Total liabilities and fund equity	\$220,054	\$11,689,648	\$1,621,570	\$19,760,537

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, 1996

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>DEBT SERVICE</u>	<u>TOTALS MEMORANDUM ONLY (NOTE G)</u>
Revenues					
Intergovernmental revenues	\$1,142,855	\$2,908,753	\$ -	\$312,572	\$ 4,364,180
Taxes	1,704,681	1,491,717	-	-	3,196,398
Fines and costs	-	281,794	-	-	281,794
Charges for services	472,639	51,201	-	-	523,840
Licenses and permits	157,967	-	-	-	157,967
Miscellaneous revenues	<u>55,124</u>	<u>913,821</u>	<u>112,534</u>	<u>9,728</u>	<u>1,091,207</u>
Total revenues	<u>3,533,266</u>	<u>5,647,286</u>	<u>112,534</u>	<u>322,300</u>	<u>9,615,386</u>
Expenditures					
General government	1,399,647	36,979	-	-	1,436,626
Public safety	924,138	1,954,532	-	-	2,878,670
Transportation	-	1,581,203	475,598	-	2,056,801
Physical environment	250,135	1,945,058	69,186	-	2,264,379
Economic environment	877	893,582	-	-	894,459
Human services	114,473	-	-	-	114,473
Culture and recreation	224,409	-	-	-	224,409
Debt service	<u>22,748</u>	<u>146,682</u>	<u>-</u>	<u>543,754</u>	<u>713,184</u>
Total expenditures	<u>2,936,427</u>	<u>6,558,036</u>	<u>544,784</u>	<u>543,754</u>	<u>10,583,001</u>
Excess of revenues over (under) expenditures	596,839	(910,750)	(432,250)	(221,454)	(967,615)
Other financing sources (uses)					
Loan proceeds	43,500	-	-	-	43,500
Installment purchase obligations	18,926	399,675	-	-	418,601
Operating transfers in (out)	<u>(561,758)</u>	<u>321,758</u>	<u>-</u>	<u>240,000</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	97,507	(189,317)	(432,250)	18,546	(505,514)
Fund balances - beginning of year	<u>580,739</u>	<u>2,058,945</u>	<u>2,089,844</u>	<u>244,930</u>	<u>4,974,458</u>
Fund balances - end of year	<u>\$ 678,246</u>	<u>\$1,869,628</u>	<u>\$1,657,594</u>	<u>\$263,476</u>	<u>\$4,468,944</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, 1996

	<u>GENERAL</u>			<u>SPECIAL REVENUE</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues						
Intergovernmental revenues	\$1,075,086	\$1,142,855	\$ 67,769	\$3,754,678	\$2,908,753	\$ (845,925)
Taxes	1,735,153	1,704,681	(30,472)	1,716,115	1,491,717	(224,398)
Fines and costs	-	-	-	256,718	281,794	25,076
Charges for services	346,368	472,639	126,271	39,000	51,201	12,201
Licenses and permits	186,707	157,967	(28,740)	-	-	-
Miscellaneous revenues	<u>194,654</u>	<u>98,624</u>	<u>(96,030)</u>	<u>794,084</u>	<u>913,821</u>	<u>119,737</u>
Total revenues	<u>3,537,968</u>	<u>3,576,766</u>	<u>38,798</u>	<u>6,560,595</u>	<u>5,647,286</u>	<u>(913,309)</u>
Expenditures						
General government	1,454,411	1,396,008	58,403	36,979	36,979	-
Public safety	965,316	931,599	33,717	2,034,246	1,989,715	44,531
Transportation	-	-	-	1,469,341	1,387,934	81,407
Physical environment	254,634	250,135	4,499	2,503,734	1,850,151	653,583
Economic environment	958	877	81	1,709,810	893,582	816,228
Human services	135,545	114,473	21,072	-	-	-
Culture and recreation	<u>248,601</u>	<u>224,409</u>	<u>24,192</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,059,465</u>	<u>2,917,501</u>	<u>141,964</u>	<u>7,754,110</u>	<u>6,158,361</u>	<u>1,595,749</u>
Excess of revenues over (under) expenditures	478,503	659,265	180,762	(1,193,515)	(511,075)	682,440
Other financing sources (uses)						
Budgeted transfers in (out)	(561,758)	(561,758)	-	321,758	321,758	-
Bond proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(83,255)	97,507	180,762	(871,757)	(189,317)	682,440
Fund balances - beginning of year	<u>580,739</u>	<u>580,739</u>	<u>-</u>	<u>2,058,945</u>	<u>2,058,945</u>	<u>-</u>
Fund balances - end of year	<u>\$ 497,484</u>	<u>\$ 678,246</u>	<u>\$180,762</u>	<u>\$1,187,188</u>	<u>\$1,869,628</u>	<u>\$ 682,440</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, 1996

	CAPITAL PROJECTS			DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$325,310	\$312,572	\$(12,738)
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	-	112,534	112,534	-	9,728	9,728
	-	112,534	112,534	325,310	322,300	(3,010)
Total revenues	-	112,534	112,534	325,310	322,300	(3,010)
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	1,930,814	475,598	1,455,216	-	-	-
Physical environment	69,186	69,186	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	549,044	543,754	5,290
	-	-	-	549,044	543,754	5,290
Total expenditures	2,000,000	544,784	1,455,216	549,044	543,754	5,290
Excess of revenues over (under) expenditures	(2,000,000)	(432,250)	1,567,750	(223,734)	(221,454)	(2,280)
Other financing sources (uses)						
Budgeted transfers in (out)	-	-	-	240,000	240,000	-
Bond proceeds	2,000,000	-	(2,000,000)	-	-	-
Excess of revenues and other sources over (under) expen- ditures and other uses	-	(432,250)	(432,250)	16,266	18,546	2,280
Fund balances - beginning of year	2,089,844	2,089,844	-	244,930	244,930	-
Fund balances - end of year	\$2,089,844	\$1,657,594	\$ (432,250)	\$261,196	\$263,476	\$ 2,280

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, 1996

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$ 5,155,074	\$4,364,180	\$ (790,894)
Taxes	3,451,268	3,196,398	(254,870)
Fines and costs	256,718	281,794	25,076
Charges for services	385,368	523,840	138,472
Licenses and permits	186,707	157,967	(28,740)
Miscellaneous revenues	<u>988,738</u>	<u>1,134,707</u>	<u>145,969</u>
Total revenues	<u>10,423,873</u>	<u>9,658,886</u>	<u>(764,987)</u>
Expenditures			
General government	1,491,390	1,432,987	58,403
Public safety	2,999,562	2,921,314	78,248
Transportation	3,400,155	1,863,532	1,536,623
Physical environment	2,827,554	2,169,472	658,082
Economic environment	1,710,768	894,459	816,309
Human services	135,545	114,473	21,072
Culture and recreation	248,601	224,409	24,192
Debt service	<u>549,044</u>	<u>543,754</u>	<u>5,290</u>
Total expenditures	<u>13,362,619</u>	<u>10,164,400</u>	<u>3,198,219</u>
Excess of revenues over (under) expenditures	(2,938,746)	(505,514)	2,433,232
Other financing sources (uses)			
Budgeted transfers in (out)	-	-	-
Bond proceeds	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	(938,746)	(505,514)	433,232
Fund balances - beginning of year	<u>4,974,458</u>	<u>4,974,458</u>	<u>-</u>
Fund balances - end of year	<u>\$ 4,035,712</u>	<u>\$4,468,944</u>	<u>\$ 433,232</u>

The accompanying notes are an integral part of this statement.

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 1996

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 1995 millage rate assessed by the County was 10.0 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, 1996

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, 1996

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 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 followed a policy of recording at cost and/or estimated fair market value all infrastructure assets through September 30, 1994. Effective October 1, 1994, this policy was terminated. 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, 1996

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, 1996

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 \$934,264 and the bank balances were \$1,290,871 at September 30, 1996. 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, 1996 and no further allowance is considered necessary. Bad debt expense for the year was \$126,773.

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, 1996

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 (7.19% at September 30, 1996).

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 First National Bank of Jefferson County. 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.

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..

The changes in general long-term debt for the year ended September 30, 1996 follows:

	Balance <u>10/1/95</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>9/30/96</u>
Installment purchase obligations	\$ 172,803	\$418,601	\$142,563	\$ 448,841
Notes payable	<u>1,314,254</u>	<u>43,528</u>	<u>185,053</u>	<u>1,172,729</u>
	<u>\$1,487,057</u>	<u>\$462,129</u>	<u>\$327,616</u>	<u>\$1,621,570</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

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

The following is a schedule by years of future principal reductions of installment purchase obligations secured by equipment and notes payable:

Year ending September 30:

1997	\$696,418
1998	310,179
1999	318,335
2000	210,913
2001	85,725
Thereafter	<u>-</u>
	<u>\$1,621,570</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, 1996

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, 1996

NOTE H - RETIREMENT PROGRAM - CONTINUED

As of September 30, 1996 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 1995-96 fiscal year payroll for all employees totaled \$2,996,468, including \$2,761,448 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in the 1995-96 fiscal year totaled \$643,477, including \$-0- from employee contributions, which represents 23.3 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, 1996, was as follows:

	<u>(In Millions)</u>
Total Pension Benefit Obligation	\$51,400
Less, Net Assets Available for Benefits at Cost (Market \$49,100)	<u>39,200</u>
Unfunded Pension Benefit Obligation	<u>\$12,200</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

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, 1995, using an assumed return on investments of 8 percent, updated as of July 1, 1995. Net assets available to pay pension benefits are valued as of June 30, 1996.

The County's 1995-96 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 1995-96 fiscal year and as of June 30, 1996, 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, 1996.
- 2) Excesses of expenditures over appropriations in individual funds. During the 1995-96 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, 1996

NOTE I - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - CONTINUED

3) Individual fund interfund receivable and payable balances. Such balances at September 30, 1996 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 1,870
Fine and Forfeiture Fund	-	13,574
General Fund	-	746,927
County Transportation Trust Fund	-	346,956
Capital Projects Fund	-	400,738
Grants Fund	-	2,145
Fire District Fund	33,096	-
Local Option Sales Tax Fund	382,226	-
Local Government Criminal Justice Fund	12,868	-
Solid Waste Trust Fund	1,045,816	-
911 Fund	<u>38,204</u>	<u>-</u>
	<u>\$ 1,512,210</u>	<u>\$1,512,210</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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

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, 1996:

	<u>Balance</u> <u>10/1/95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/96</u>
Land	\$ 426,523	\$ -	\$ -	\$ 426,523
Buildings	4,015,343	24,471	-	4,039,814
Equipment	4,497,587	1,018,092	361,026	5,154,653
Construction in progress	<u>1,999,436</u>	<u>69,222</u>	<u>-</u>	<u>2,068,658</u>
	<u>\$10,938,889</u>	<u>\$1,111,785</u>	<u>\$361,026</u>	<u>\$11,689,648</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, 1996

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

The County had an arbitrage rebate liability of \$-0- as of October 1, 1996. 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, 1997	\$130,000
May 1, 1998	135,000
May 1, 1999	140,000
May 1, 2000	150,000
May 1, 2001	155,000
May 1, 2002 and thereafter	<u>2,415,000</u>
	<u>\$3,125,000</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	\$ 18,027
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications Trust Fund	<u>112,691</u>
	<u>\$130,718</u>

The County of Jefferson, Florida

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

NOTE M - RESERVED FUND BALANCES - CONTINUED

Capital Projects Fund - Reserve for road construction	<u>\$1,657,594</u>
Debt Service Fund - Reserve for debt service	<u>\$ 263,476</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 \$2,286,107 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 \$1,404,248 as of September 30, 1996. The total costs are expected to be funded by State grants. The postclosure cost of maintenance, monitoring and testing is expected to be \$60,000 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, 1996

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.

SUPPLEMENTAL INFORMATION

The County of Jefferson, Florida
 COMBINING BALANCE SHEET - ALL AGENCY FUNDS
 September 30, 1996

	<u>CLERK OF THE CIRCUIT COURT</u>	<u>SUPERVISOR OF ELECTIONS</u>	<u>PROPERTY APPRAISER</u>	<u>TAX COLLECTOR</u>	<u>SHERIFF</u>	<u>COMBINED TOTALS</u>
ASSETS						
Cash	\$131,495	\$ -	\$96	\$69,786	\$17,083	\$218,460
Due from other agencies	-	-	-	1,194	-	1,194
Accounts receivable	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>
Total assets	<u>\$131,895</u>	<u>\$ -</u>	<u>\$96</u>	<u>\$70,980</u>	<u>\$17,083</u>	<u>\$220,054</u>
LIABILITIES						
Due to other governments	\$105,343	\$ -	\$ -	\$ -	\$ -	\$105,343
Due to other agencies	-	-	-	70,830	-	70,830
Deposits held in escrow	<u>26,552</u>	<u>-</u>	<u>96</u>	<u>150</u>	<u>17,083</u>	<u>43,881</u>
Total liabilities	<u>\$131,895</u>	<u>\$ -</u>	<u>\$96</u>	<u>\$70,980</u>	<u>\$17,083</u>	<u>\$220,054</u>

The County of Jefferson, Florida
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS

Year ended September 30, 1996

	<u>BALANCE OCTOBER 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 1996</u>
<u>Clerk of the Circuit Court - Suspense Account</u>				
Assets:				
Cash	\$88,072	\$2,083,172	\$2,053,301	\$117,943
Accounts receivable	859	-	459	400
	<u>\$88,931</u>	<u>\$2,083,172</u>	<u>\$2,053,760</u>	<u>\$118,343</u>
Liabilities:				
Due to other governments	\$75,042	\$ 351,486	\$ 321,185	\$105,343
Due to other agencies	-	673,771	673,771	-
Deposits held in escrow	13,889	1,057,915	1,058,804	13,000
	<u>\$88,931</u>	<u>\$2,083,172</u>	<u>\$2,053,760</u>	<u>\$118,343</u>
<u>Clerk of the Circuit Court - Court Registry</u>				
Assets:				
Cash	\$30,980	\$ 260,544	\$ 277,972	\$13,552
Liabilities:				
Deposits held in escrow	\$30,980	\$ 260,544	\$ 277,972	\$13,552
<u>Clerk of the Circuit Court- Tax Redemption Account</u>				
Assets:				
Cash	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Deposits held in escrow	\$ -	\$ -	\$ -	\$ -
<u>Supervisor of Elections - Qualifying Account</u>				
Assets:				
Cash	\$ -	\$ 41,719	\$ 41,719	\$ -
Liabilities:				
Due to other agencies	\$ -	\$ 41,719	\$ 41,719	\$ -
<u>Property Appraiser - Commission Account</u>				
Assets:				
Cash	\$ 96	\$ 3,858	\$ 3,858	\$ 96
Liabilities:				
Due to other agencies	\$ -	\$ 3,858	\$ 3,858	\$ -
Deposits held in escrow	96	-	-	96
	<u>\$ 96</u>	<u>\$ 3,858</u>	<u>\$ 3,858</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, 1996

	<u>BALANCE OCTOBER 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 1996</u>
<u>Tax Collector - Tax Account</u>				
Assets:				
Cash	\$ <u>64,711</u>	\$ <u>5,409,771</u>	\$ <u>5,406,503</u>	\$ <u>67,979</u>
Liabilities:				
Due to other governments	\$ -	\$ 5,098,391	\$ 5,098,391	\$ -
Due to other agencies	64,711	41,744	38,476	67,979
Deposits held in escrow	-	269,636	269,636	-
	<u>\$ 64,711</u>	<u>\$ 5,409,771</u>	<u>\$ 5,406,503</u>	<u>\$ 67,979</u>
<u>Tax Collector - Tag Account</u>				
Assets:				
Cash	\$ 2,592	\$ 1,463,970	\$ 1,464,755	\$ 1,807
Due from other agencies	324	870	-	1,194
	<u>\$ 2,916</u>	<u>\$ 1,464,840</u>	<u>\$ 1,464,755</u>	<u>\$ 3,001</u>
Liabilities:				
Due to other agencies	\$ 2,766	\$ 185	\$ -	\$ 2,851
Deposits held in escrow	150	1,464,755	1,464,755	150
	<u>\$ 2,916</u>	<u>\$ 1,464,840</u>	<u>\$ 1,464,755</u>	<u>\$ 3,001</u>
<u>Sheriff - Individual Depositors Account</u>				
Assets:				
Cash	\$ <u>160</u>	\$ <u>17,187</u>	\$ <u>17,087</u>	\$ <u>260</u>
Liabilities:				
Deposits held in escrow	\$ <u>160</u>	\$ <u>17,187</u>	\$ <u>17,087</u>	\$ <u>260</u>
<u>Sheriff - Appearance Bond Account</u>				
Assets:				
Cash	\$ <u>9,610</u>	\$ <u>25,622</u>	\$ <u>28,352</u>	\$ <u>6,880</u>
Liabilities:				
Deposits held in escrow	\$ <u>9,610</u>	\$ <u>25,622</u>	\$ <u>28,352</u>	\$ <u>6,880</u>

The County of Jefferson, Florida

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - CONTINUED

ALL AGENCY FUNDS

Year ended September 30, 1996

	<u>BALANCE OCTOBER 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE SEPTEMBER 30, 1996</u>
<u>Sheriff - Prisoners Work Release</u>				
Assets:				
Cash	\$ <u>37</u>	\$ <u>-</u>	\$ <u>37</u>	\$ <u>-</u>
Liabilities:				
Deposits held in escrow	\$ <u>37</u>	\$ <u>-</u>	\$ <u>37</u>	\$ <u>-</u>
<u>Sheriff - Prisoners Welfare</u>				
Assets:				
Cash	\$ <u>3,269</u>	\$ <u>6,851</u>	\$ <u>177</u>	\$ <u>9,943</u>
Liabilities:				
Deposits held in escrow	\$ <u>3,269</u>	\$ <u>6,851</u>	\$ <u>177</u>	\$ <u>9,943</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Cash	\$199,527	\$9,312,694	\$9,293,761	\$218,460
Due from other agencies	324	870	-	1,194
Accounts receivable	859	-	459	400
	<u>\$200,710</u>	<u>\$9,313,564</u>	<u>\$9,294,220</u>	<u>\$220,054</u>
Liabilities:				
Due to other governments	\$ 75,042	\$5,449,877	\$5,419,576	\$105,343
Due to other agencies	67,477	761,177	757,824	70,830
Deposits held in escrow	<u>58,191</u>	<u>3,102,510</u>	<u>3,116,820</u>	<u>43,881</u>
	<u>\$200,710</u>	<u>\$9,313,564</u>	<u>\$9,294,220</u>	<u>\$220,054</u>

FINANCIAL STATEMENTS AND AUDITORS' REPORT
BOARD OF COUNTY COMMISSIONERS
THE COUNTY OF JEFFERSON, FLORIDA
SEPTEMBER 30, 1996

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

December 31, 1996

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, 1996, 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, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 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, 1996, 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 December 31, 1996 on our consideration of the internal control structure of the Board of County Commissioners of the County of Jefferson, Florida and a report dated December 31, 1996 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents as supplemental information are presented for purposes of additional analysis and are not a required part of the combined financial statements of the Board of County Commissioners of Jefferson County, Florida. 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.

37 

The County of Jefferson, Florida
Board of County Commissioners

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1996

ASSETS	GOVERNMENTAL FUND TYPES				ACCOUNT GROUPS		TOTALS (Note G) (MEMORANDUM) ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	
Cash	\$ 352,952	\$ 362,852	\$ -	\$ -	\$ -	\$ -	\$ 715,804
Investments (Note B)	751,019	173,449	2,053,066	265,346	-	-	3,242,880
Accounts receivable (Note C)	274,895	-	-	-	-	-	274,895
Accrued interest receivable	5,694	6,505	9,020	-	-	-	21,219
Due from other governments	135,968	302,929	68	-	-	-	438,965
Due from other agencies	-	5,265	-	-	-	-	5,265
Due from other funds (Note I)	-	1,512,210	-	-	-	-	1,512,210
Inventory of supplies (Note D)	-	18,027	-	-	-	-	18,027
Fixed assets (Note K)	-	-	-	-	10,791,328	-	10,791,328
Amount to be provided	-	-	-	-	-	-	-
Total assets	<u>\$1,520,528</u>	<u>\$2,381,237</u>	<u>\$2,062,154</u>	<u>\$265,346</u>	<u>\$10,791,328</u>	<u>\$1,621,570</u>	<u>\$18,642,163</u>
LIABILITIES AND FUND EQUITY							
Liabilities							
Notes payable (Note E)	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,172,729	\$ 1,172,729
Installment purchase obligations (Note E)	-	-	-	-	-	448,841	448,841
Accounts payable	68,406	148,934	3,822	-	-	-	221,162
Due to other funds (Note I)	746,927	362,675	400,738	1,870	-	-	1,512,210
Deposits held in escrow	4,840	-	-	-	-	-	4,840
Revenues collected in advance	22,109	-	-	-	-	-	22,109
Due to other governments	-	-	-	-	-	-	-
Contingencies (Note F)	-	-	-	-	-	-	-
Total liabilities	<u>842,282</u>	<u>511,609</u>	<u>404,560</u>	<u>1,870</u>	<u>-</u>	<u>1,621,570</u>	<u>3,381,891</u>
Fund equity							
Investment in general fixed assets	-	-	-	-	9,313,908	-	9,313,908
General fixed assets acquired by gift	-	-	-	-	1,477,420	-	1,477,420
Fund balances							
Reserved (Note M)	-	130,718	1,657,594	263,476	-	-	2,051,788
Unreserved - Undesignated	678,246	1,738,910	-	-	-	-	2,417,156
Total fund equity	<u>678,246</u>	<u>1,869,628</u>	<u>1,657,594</u>	<u>263,476</u>	<u>10,791,328</u>	<u>-</u>	<u>15,260,272</u>
Total liabilities and fund equity	<u>\$1,520,528</u>	<u>\$2,381,237</u>	<u>\$2,062,154</u>	<u>\$265,346</u>	<u>\$10,791,328</u>	<u>\$1,621,570</u>	<u>\$18,642,163</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, 1996

	<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	\$1,142,855	\$2,908,753	\$ -	\$312,572	\$ 4,364,180
Taxes	1,704,681	1,491,717	-	-	3,196,398
Fines and costs	-	281,794	-	-	281,794
Charges for services	472,639	51,201	-	-	523,840
Licenses and permits	157,967	-	-	-	157,967
Miscellaneous revenues	55,124	913,821	112,534	9,728	1,091,207
Total revenues	<u>3,533,266</u>	<u>5,647,286</u>	<u>112,534</u>	<u>322,300</u>	<u>9,615,386</u>
Expenditures					
General government	1,399,647	36,979	-	-	1,436,626
Public safety	924,138	1,954,532	-	-	2,878,670
Transportation	-	1,581,203	475,598	-	2,056,801
Physical environment	250,135	1,945,058	69,186	-	2,264,379
Economic environment	877	893,582	-	-	894,459
Human services	114,473	-	-	-	114,473
Culture and recreation	224,409	-	-	-	224,409
Debt service	22,748	146,682	-	543,754	713,184
Total expenditures	<u>2,936,427</u>	<u>6,558,036</u>	<u>544,784</u>	<u>543,754</u>	<u>10,583,001</u>
Excess of revenues over (under) expenditures	596,839	(910,750)	(432,250)	(221,454)	(967,615)
Other financing sources (uses)					
Loan proceeds	43,500	-	-	-	43,500
Installment purchase obligations	18,926	399,675	-	-	418,601
Operating transfers in (out)	(561,758)	321,758	-	240,000	-
Excess of revenues and other financing sources over (under) expenditures and other uses	97,507	(189,317)	(432,250)	18,546	(505,514)
Fund balances - beginning of year	<u>580,739</u>	<u>2,058,945</u>	<u>2,089,844</u>	<u>244,930</u>	<u>4,974,458</u>
Fund balances - end of year	<u>\$ 678,246</u>	<u>\$1,869,628</u>	<u>\$1,657,594</u>	<u>\$263,476</u>	<u>\$ 4,468,944</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, 1996

	GENERAL			SPECIAL REVENUE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$1,075,086	\$1,142,855	\$ 67,769	\$3,754,678	\$2,908,753	\$ (845,925)
Taxes	1,735,153	1,704,681	(30,472)	1,716,115	1,491,717	(224,398)
Fines and costs	-	-	-	256,718	281,794	25,076
Charges for services	346,368	472,639	126,271	39,000	51,201	12,201
Licenses and permits	186,707	157,967	(28,740)	-	-	-
Miscellaneous revenues	194,654	98,624	(96,030)	794,084	913,821	119,737
Total revenues	<u>3,537,968</u>	<u>3,576,766</u>	<u>38,798</u>	<u>6,560,595</u>	<u>5,647,286</u>	<u>(913,309)</u>
Expenditures						
General government	1,454,411	1,396,008	58,403	36,979	36,979	-
Public safety	965,316	931,599	33,717	2,034,246	1,989,715	44,531
Transportation	-	-	-	1,469,341	1,387,934	81,407
Physical environment	254,634	250,135	4,499	2,503,734	1,850,151	653,583
Economic environment	958	877	81	1,709,810	893,582	816,228
Human services	135,545	114,473	21,072	-	-	-
Culture and recreation	248,601	224,409	24,192	-	-	-
Total expenditures	<u>3,059,465</u>	<u>2,917,501</u>	<u>141,964</u>	<u>7,754,110</u>	<u>6,158,361</u>	<u>1,595,749</u>
Excess of revenues over (under) expenditures	478,503	659,265	180,762	(1,193,515)	(511,075)	682,440
Other financing sources (uses)						
Budgeted transfers in (out)	(561,758)	(561,758)	-	321,758	321,758	-
Bond proceeds	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(83,255)	97,507	180,762	(871,757)	(189,317)	682,440
Fund balances - beginning of year	<u>580,739</u>	<u>580,739</u>	<u>-</u>	<u>2,058,945</u>	<u>2,058,945</u>	<u>-</u>
Fund balances - end of year	<u>\$ 497,484</u>	<u>\$ 678,246</u>	<u>\$ 180,762</u>	<u>\$ 1,187,188</u>	<u>\$ 1,869,628</u>	<u>\$ 682,440</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, 1996

	CAPITAL PROJECTS			DEBT SERVICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 325,310	\$ 312,572	\$ (12,738)
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Miscellaneous revenues	-	112,534	112,534	-	9,728	9,728
Total revenues	-	112,534	112,534	325,310	322,300	(3,010)
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	1,930,814	475,598	1,455,216	-	-	-
Physical environment	69,186	69,186	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	549,044	543,754	5,290
Total expenditures	2,000,000	544,784	1,455,216	549,044	543,754	5,290
Excess of revenues over (under) expenditures	(2,000,000)	(432,250)	1,567,750	(223,734)	(221,454)	2,280
Other financing sources (uses)						
Budgeted transfers in (out)	-	-	-	240,000	240,000	-
Bond proceeds	2,000,000	-	(2,000,000)	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	(432,250)	(432,250)	16,266	18,546	2,280
Fund balances - beginning of year	2,089,844	2,089,844	-	244,930	244,930	-
Fund balances - end of year	\$2,089,844	\$1,657,594	\$ (432,250)	\$ 261,196	\$ 263,476	\$ 2,280

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, 1996

	TOTALS (MEMORANDUM ONLY)		
	(NOTE G)		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Intergovernmental revenues	\$ 5,155,074	\$ 4,364,180	\$ (790,894)
Taxes	3,451,268	3,196,398	(254,870)
Fines and costs	256,718	281,794	25,076
Charges for services	385,368	523,840	138,472
Licenses and permits	186,707	157,967	(28,740)
Miscellaneous revenues	<u>988,738</u>	<u>1,134,707</u>	<u>145,969</u>
Total revenues	<u>10,423,873</u>	<u>9,658,886</u>	<u>(764,987)</u>
Expenditures			
General government	1,491,390	1,432,987	58,403
Public safety	2,999,562	2,921,314	78,248
Transportation	3,400,155	1,863,532	1,536,623
Physical environment	2,827,554	2,169,472	658,082
Economic environment	1,710,768	894,459	816,309
Human services	135,545	114,473	21,072
Culture and recreation	248,601	224,409	24,192
Debt service	<u>549,044</u>	<u>543,754</u>	<u>5,290</u>
Total expenditures	<u>13,362,619</u>	<u>10,164,400</u>	<u>3,198,219</u>
Excess of revenues over (under) expenditures	(2,938,746)	(505,514)	2,433,232
Other financing sources (uses)			
Budgeted transfers in (out)	-	-	-
Bond proceeds	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Excess of revenues and other sources over (under) expen- ditures and other uses	(938,746)	(505,514)	433,232
Fund balances - beginning of year	<u>4,974,458</u>	<u>4,974,458</u>	<u>-</u>
Fund balances - end of year	<u>\$ 4,035,712</u>	<u>\$ 4,468,944</u>	<u>\$ 433,232</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, 1996

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 1995 millage rate assessed by the County was 10.0 mills.

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

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

The County of Jefferson, Florida
Board of County Commissioners

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 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, 1996

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 \$715,804 and the bank balances were \$949,804 at September 30, 1996. 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, 1996 and no further allowance is considered necessary. Bad debt expense for the year was \$126,773.

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

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 (7.19% at September 30, 1996).

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 First National Bank of Jefferson County. 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.

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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

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

The changes in general long-term debt for the year ended September 30, 1996 follows:

	<u>Balance 10/1/95</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/96</u>
Installment purchase obligations	\$ 172,803	\$418,601	\$142,563	\$ 448,841
Notes payable	<u>1,314,254</u>	<u>43,528</u>	<u>185,053</u>	<u>1,172,729</u>
	<u>\$1,487,057</u>	<u>\$462,129</u>	<u>\$327,616</u>	<u>\$1,621,570</u>

The following is a schedule by years of future principal reductions of installment purchase obligations secured by equipment and notes payable:

Year ending September 30:

1997	\$696,418
1998	310,179
1999	318,335
2000	210,913
2001	85,725
Thereafter	-
	<u>\$1,621,570</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, 1996

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

The County of Jefferson, Florida
Board of County Commissioners

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

NOTE H - RETIREMENT PROGRAM - CONTINUED

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

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

As of September 30, 1996, 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 1995-96 fiscal year payroll for all employees totaled \$1,605,198, including \$1,381,882 paid to employees who were members of the Florida Retirement System. Required contributions made to the Florida Retirement System in the 1995-96 fiscal year totaled \$317,362, including \$-0- from employee contributions, which represents 22.97 and -0- percent, respectively, of covered payroll.

The County of Jefferson, Florida
Board of County Commissioners

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

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, 1996 was as follows:

	<u>(In Millions)</u>
Total Pension Benefit Obligation	\$51,400
Less, Net Assets Available for Benefits at Cost (Market \$49,100)	<u>39,200</u>
Unfunded Pension Benefit Obligation	<u>\$12,200</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, 1995, using an assumed return on investments of 8 percent, updated as of July 1, 1995. Net assets available to pay pension benefits are valued as of June 30, 1996.

The County's 1995-6 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, 1996

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 1995-96 fiscal year and as of June 30, 1996, 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, 1996.
- 2) Excesses of expenditures over appropriations in individual funds. During the 1995-96 fiscal year, there were no funds with excesses of expenditures over appropriations.
- 3) Individual fund interfund receivable and payable balances at September 30, 1996 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 1,870
Fine and Forfeiture Fund	-	13,574
General Fund	-	746,927
County Transportation Trust Fund	-	346,956
Capital Projects Fund	-	400,738
Grants Fund	-	2,145
Fire District Fund	33,096	-
Local Option Sales Tax Fund	382,226	-
Local Government Criminal Justice Fund	12,868	-

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

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

NOTE I - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - Continued

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Solid Waste Trust Fund	1,045,816	-
911 Fund	<u>38,204</u>	<u>-</u>
	<u>\$1,512,210</u>	<u>\$1,512,210</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, 1996

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, 1996:

	Balance <u>10/1/95</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>9/30/96</u>
Land	\$ 426,523	\$ -	\$ -	\$ 426,523
Buildings	4,015,343	24,471	-	4,039,814
Equipment	3,656,283	815,818	215,768	4,256,333
Construction in progress	<u>1,999,436</u>	<u>69,222</u>	<u>-</u>	<u>2,068,658</u>
	<u>\$10,097,585</u>	<u>\$ 909,511</u>	<u>\$ 215,768</u>	<u>\$10,791,328</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, 1996

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

The County had an arbitrage rebate liability of \$-0- as of October 1, 1996. 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, 1997	\$ 130,000
May 1, 1998	135,000
May 1, 1999	140,000
May 1, 2000	150,000
May 1, 2001	155,000
May 1, 2002 and thereafter	<u>2,415,000</u>
	<u>\$3,125,000</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	\$ 18,027
Fine and Forfeiture Fund - Reserve for special law enforcement fund, court education fund and communications trust fund	<u>112,691</u>
	<u>\$130,718</u>

The County of Jefferson, Florida
Board of County Commissioners

NOTES TO COMBINED FINANCIAL STATEMENTS - CONTINUED

September 30, 1996

NOTE M - RESERVED FUND BALANCES - Continued

Capital Projects Fund - Reserve for road construction	<u>\$1,657,594</u>
Debt Service Fund - Reserve for debt service	<u>\$ 263,476</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 \$2,286,107 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 \$1,404,248 as of September 30, 1996. The total costs are expected to be funded by State grants. The postclosure cost of maintenance, monitoring and testing is expected to be \$60,000 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, 1996

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.

SUPPLEMENTAL INFORMATION

The County of Jefferson, Florida
Board of County Commissioners

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS

September 30, 1996

	<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	\$126,003	\$121,476	\$115,373	\$ -	\$ -
Investments	14,427	-	159,022	-	-
Accrued interest receivable	4,888	-	1,617	-	-
Due from other governments	48,105	29,916	160,367	1,785	27,140
Due from other agencies	-	-	-	-	-
Due from other funds	-	-	-	33,096	382,226
Inventory of supplies, at cost	-	-	18,027	-	-
Total assets	<u>\$193,423</u>	<u>\$151,392</u>	<u>\$454,406</u>	<u>\$34,881</u>	<u>\$409,366</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ 357	\$ 13,755	\$ 72,676	\$ 1,460	\$ -
Due to other funds	13,574	2,145	346,956	-	-
Revenues collected in advance	-	-	-	-	-
Due to other governments	-	-	-	-	-
Contingencies	-	-	-	-	-
Total liabilities	<u>13,931</u>	<u>15,900</u>	<u>419,632</u>	<u>1,460</u>	<u>-</u>
Fund balances					
Reserved	112,691	-	18,027	-	-
Unreserved					
Undesignated	<u>66,801</u>	<u>135,492</u>	<u>16,747</u>	<u>33,421</u>	<u>409,366</u>
Total fund balances	<u>179,492</u>	<u>135,492</u>	<u>34,774</u>	<u>33,421</u>	<u>409,366</u>
Total liabilities and fund balances	<u>\$193,423</u>	<u>\$151,392</u>	<u>\$454,406</u>	<u>\$34,881</u>	<u>\$409,366</u>

The County of Jefferson, Florida
Board of County Commissioners

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS - CONTINUED

September 30, 1996

	LOCAL GOVERNMENT CRIMINAL JUSTICE FUND	SOLID WASTE TRUST FUND	911 FUND	COMBINED TOTALS
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 362,852
Investments	-	-	-	173,449
Accrued interest receivable	-	-	-	6,505
Due from other governments	-	35,616	-	302,929
Due from other agencies	2,494	-	2,771	5,265
Due from other funds	12,868	1,045,816	38,204	1,512,210
Inventory of supplies, at cost	-	-	-	18,027
Total assets	<u>\$15,362</u>	<u>\$1,081,432</u>	<u>\$40,975</u>	<u>\$2,381,237</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ -	\$ 60,686	\$ -	\$ 148,934
Due to other funds	-	-	-	362,675
Revenues collected in advance	-	-	-	-
Due to other governments	-	-	-	-
Contingencies	-	-	-	-
Total liabilities	<u>-</u>	<u>60,686</u>	<u>-</u>	<u>511,609</u>
Fund balances				
Reserved	-	-	-	130,718
Unreserved	-	-	-	-
Undesignated (deficit)	<u>15,362</u>	<u>1,020,746</u>	<u>40,975</u>	<u>1,738,910</u>
Total fund balances (deficit)	<u>15,362</u>	<u>1,020,746</u>	<u>40,975</u>	<u>1,869,628</u>
Total liabilities and fund balances	<u>\$15,362</u>	<u>\$1,081,432</u>	<u>\$40,975</u>	<u>\$2,381,237</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, 1996

	FINES & FORFEITURE FUND			GRANTS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ 108,434	\$ 77,248	\$ (31,186)	\$1,799,801	\$ 883,954	\$ (915,847)
Taxes	433,636	422,191	(11,445)	-	-	-
Fines and costs	229,718	252,398	22,680	-	-	-
Charges for services	11,000	18,090	7,090	-	-	-
Miscellaneous revenues	-	7,197	7,197	-	299	299
Total revenues	<u>782,788</u>	<u>777,124</u>	<u>(5,664)</u>	<u>1,799,801</u>	<u>884,253</u>	<u>(915,548)</u>
Expenditures						
Public safety	1,677,676	1,664,398	13,278	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	1,709,810	893,582	816,228
Total expenditures	<u>1,677,676</u>	<u>1,664,398</u>	<u>13,278</u>	<u>1,709,810</u>	<u>893,582</u>	<u>816,228</u>
Excess of revenues over (under) expenditures	(894,888)	(887,274)	7,614	89,991	(9,329)	(99,320)
Other financing source (uses)						
Budgeted transfers in (out)	<u>928,741</u>	<u>849,156</u>	<u>(79,585)</u>	<u>1,531,601</u>	<u>1,531,601</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	91,641	181,241	89,600	25,000	(66,799)	(91,799)
Fund balances - beginning of year (deficit)	<u>103,174</u>	<u>103,174</u>	<u>-</u>	<u>211,620</u>	<u>211,620</u>	<u>-</u>
Fund balances - end of year	<u>\$ 194,815</u>	<u>\$ 284,415</u>	<u>\$ 89,600</u>	<u>\$ 236,620</u>	<u>\$ 144,821</u>	<u>\$ (91,799)</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, 1996

	<u>COUNTY TRANSPORTATION TRUST FUND</u>			<u>FIRE DISTRICT FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues						
Intergovernmental revenues	\$ 634,286	\$ 618,756	\$ (15,530)	\$ -	\$ -	\$ -
Taxes	1,003,206	672,877	(330,329)	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	<u>17,000</u>	<u>35,738</u>	<u>18,738</u>	<u>220,084</u>	<u>221,494</u>	<u>1,410</u>
Total revenues	<u>1,654,492</u>	<u>1,327,371</u>	<u>(327,121)</u>	<u>220,084</u>	<u>221,494</u>	<u>1,410</u>
Expenditures						
Public safety	-	-	-	300,382	300,382	-
Transportation	1,469,341	1,387,934	81,407	-	-	-
Economic environment	-	-	-	-	-	-
Total expenditures	<u>1,469,341</u>	<u>1,387,934</u>	<u>81,407</u>	<u>300,382</u>	<u>300,382</u>	<u>-</u>
Excess of revenues over (under) expenditures	185,151	(60,563)	(245,714)	(80,298)	(78,888)	1,410
Other financing source (uses)						
Budgeted transfers in (out)	<u>(321,625)</u>	<u>(210,000)</u>	<u>111,625</u>	<u>92,116</u>	<u>92,009</u>	<u>(107)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(136,474)	(270,563)	(134,089)	11,818	13,121	1,303
Fund balances - beginning of year	<u>305,337</u>	<u>305,337</u>	<u>-</u>	<u>20,300</u>	<u>20,300</u>	<u>-</u>
Fund balances - end of year	<u>\$ 168,863</u>	<u>\$ 34,774</u>	<u>\$ (134,089)</u>	<u>\$ 32,118</u>	<u>\$ 33,421</u>	<u>\$ 1,303</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, 1996

	LOCAL OPTIONS SALES TAX FUND			LOCAL GOVERNMENT CRIMINAL JUSTICE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	279,273	396,649	117,376	-	-	-
Fines and costs	-	-	-	27,000	29,396	2,396
Charges for services	-	-	-	-	-	-
Miscellaneous revenues	-	16,279	16,279	-	773	773
Total revenues	<u>279,273</u>	<u>412,928</u>	<u>133,655</u>	<u>27,000</u>	<u>30,169</u>	<u>3,169</u>
Expenditures						
General government	36,979	36,979	-	-	-	-
Physical environment	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Total expenditures	<u>36,979</u>	<u>36,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	242,294	375,949	133,655	27,000	30,169	3,169
Other financing source (uses)						
Budgeted transfers in (out)	<u>(307,652)</u>	<u>(307,545)</u>	<u>107</u>	<u>(35,057)</u>	<u>(35,057)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other (uses)	(65,358)	68,404	133,762	(8,057)	(4,888)	3,169
Fund balances - beginning of year	<u>340,962</u>	<u>340,962</u>	<u>-</u>	<u>20,250</u>	<u>20,250</u>	<u>-</u>
Fund balances (deficit) - end of year	\$ <u>275,604</u>	\$ <u>409,366</u>	\$ <u>133,762</u>	\$ <u>12,193</u>	\$ <u>15,362</u>	\$ <u>3,169</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, 1996

	SOLID WASTE TRUST FUND			911 FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues						
Intergovernmental revenues	\$1,212,157	\$1,328,795	\$116,638	\$ -	\$ -	\$ -
Taxes	-	-	-	-	-	-
Fines and costs	-	-	-	-	-	-
Charges for services	-	-	-	28,000	33,111	5,111
Miscellaneous revenues	<u>557,000</u>	<u>630,337</u>	<u>73,337</u>	<u>-</u>	<u>1,704</u>	<u>1,704</u>
Total revenues	<u>1,769,157</u>	<u>1,959,132</u>	<u>189,975</u>	<u>28,000</u>	<u>34,815</u>	<u>6,815</u>
Expenditures						
General government	-	-	-	-	-	-
Physical environment	2,503,734	1,850,151	653,583	-	-	-
Public safety	-	-	-	56,188	24,935	31,253
Transportation	-	-	-	-	-	-
Economic environment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,503,734</u>	<u>1,850,151</u>	<u>653,583</u>	<u>56,188</u>	<u>24,935</u>	<u>31,253</u>
Excess of revenues over (under) expenditures	(734,577)	108,981	843,558	(28,188)	9,880	38,068
Other financing source (uses) Budgeted transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(734,577)	108,981	843,558	(28,188)	9,880	38,068
Fund balances (deficit) - beginning of year	<u>911,765</u>	<u>911,765</u>	<u>-</u>	<u>31,095</u>	<u>31,095</u>	<u>-</u>
Fund balances (deficit) - end of year	<u>\$ 177,188</u>	<u>\$1,020,746</u>	<u>\$843,558</u>	<u>\$ 2,907</u>	<u>\$ 40,975</u>	<u>\$ 38,068</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, 1996

	COMBINED TOTALS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
Revenues			
Intergovernmental revenues	\$3,754,678	\$2,908,753	\$ (845,925)
Taxes	1,716,115	1,491,717	(224,398)
Fines and costs	256,718	281,794	25,076
Charges for services	39,000	51,201	12,201
Miscellaneous revenues	<u>794,084</u>	<u>913,821</u>	<u>119,737</u>
Total revenues	<u>6,560,595</u>	<u>5,647,286</u>	<u>(913,309)</u>
Expenditures			
General government	36,979	36,979	-
Physical environment	2,503,734	1,850,151	653,583
Public safety	2,034,246	1,989,715	44,531
Transportation	1,469,341	1,387,934	81,407
Economic environment	<u>1,709,810</u>	<u>893,582</u>	<u>816,228</u>
Total expenditures	<u>7,754,110</u>	<u>6,158,361</u>	<u>1,595,749</u>
Excess of revenues over (under) expenditures	(1,193,515)	(511,075)	682,440
Other financing source (uses) Budgeted transfers in (out)	<u>321,758</u>	<u>321,758</u>	<u>-</u>
Excess of revenues and other sources over (under) expend- itures and other uses	(871,757)	(189,317)	682,440
Fund balances - beginning of year	<u>2,058,945</u>	<u>2,058,945</u>	<u>-</u>
Fund balances - end of year	<u>\$1,187,188</u>	<u>\$1,869,628</u>	<u>\$ 682,440</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Ad Valorem Taxes	\$1,734,544	\$1,704,115	\$(30,429)
Franchise Fees	609	566	(43)
TOTAL TAXES	<u>1,735,153</u>	<u>1,704,681</u>	<u>(30,472)</u>
<u>LICENSES AND PERMITS</u>			
Occupational Licenses	2,000	1,630	(370)
Contractors Licenses	6,100	6,100	-
Building Permits	119,000	90,630	(28,370)
Development Code Permits	59,607	59,607	-
TOTAL LICENSES AND PERMITS	<u>186,707</u>	<u>157,967</u>	<u>(28,740)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Shared Revenues:			
Federal Wildlife	16,726	14,254	(2,472)
State Grants:			
Public Safety	131,697	189,229	57,532
Culture/Recreation	124,006	135,051	11,045
Total State Grants	<u>255,703</u>	<u>324,280</u>	<u>68,577</u>
State Shared Revenues:			
State Revenue Sharing	247,119	247,119	-
Insurance Agents' County Licenses	4,578	6,385	1,807
Mobile Home Licenses	5,152	5,152	-
Alcoholic Beverages Licenses	1,760	1,617	(143)
Racing Tax	111,625	111,625	-
Local Government Half-Cent Sales Tax	240,343	240,343	-
Emergency State Sales Tax Distribution	190,183	190,183	-
Payment in Lieu of Tax	1,897	1,897	-
Total State Shared Revenues	<u>802,657</u>	<u>804,321</u>	<u>1,664</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL - CONTINUED

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TOTAL INTERGOVERNMENTAL REVENUE	<u>1,075,086</u>	<u>1,142,855</u>	<u>67,769</u>
<u>CHARGES FOR SERVICES</u>			
General Government:			
Public Defender Liens	6,634	6,634	-
Administration Fees	25,000	24,260	(740)
Law Library	2,512	2,512	-
Tax Collector	67,014	67,014	-
Supervisor of Elections	4,284	4,284	-
Property Appraiser	3,859	3,859	-
Total General Government	<u>109,303</u>	<u>108,563</u>	<u>(740)</u>
Public Safety:			
Ambulance Fees	<u>186,129</u>	<u>313,140</u>	<u>127,011</u>
Physical/Environment:			
Garbage/Solid Waste Revenue	<u>50,936</u>	<u>50,936</u>	<u>-</u>
TOTAL CHARGES FOR SERVICES	<u>346,368</u>	<u>472,639</u>	<u>126,271</u>
<u>MISCELLANEOUS REVENUE</u>			
Loan Proceeds	-	43,500	43,500
Prior Year Refunds	19,716	19,716	-
Miscellaneous Revenues	<u>174,938</u>	<u>35,408</u>	<u>(139,530)</u>
TOTAL MISCELLANEOUS REVENUE	<u>194,654</u>	<u>98,624</u>	<u>(96,030)</u>
<u>NON-REVENUES</u>			
Transfer from Local Government Criminal Justice Trust Fund	<u>35,057</u>	<u>35,057</u>	<u>-</u>
TOTAL REVENUES	<u>\$3,573,025</u>	<u>\$3,611,823</u>	<u>\$ 38,798</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL GOVERNMENT SERVICES</u>			
Legislative:			
Board of County Commissioners:			
Personal Services	\$118,385	\$117,532	\$ 853
Operating Expenses	107,071	106,167	904
Capital Outlay	<u>12,800</u>	<u>12,800</u>	<u>-</u>
Total Legislative	<u>238,256</u>	<u>236,499</u>	<u>1,757</u>
Financial and Administrative:			
Property Appraiser:			
Personal Services	177,249	176,152	1,097
Operating Expenses	83,743	48,169	35,574
Capital Outlay	<u>3,431</u>	<u>3,431</u>	<u>-</u>
Total Property Appraiser	<u>264,423</u>	<u>227,752</u>	<u>36,671</u>
Tax Collector:			
Personal Services	167,180	166,486	694
Operating Expenses	29,808	30,222	(414)
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Tax Collector	<u>196,988</u>	<u>196,708</u>	<u>280</u>
Grants Development:			
Personal Services	5,738	5,265	473
Operating Expenses	25,574	18,709	6,865
Capital Outlay	<u>1,554</u>	<u>1,554</u>	<u>-</u>
Total Grants Development	<u>32,866</u>	<u>25,528</u>	<u>7,338</u>
Finance			
Operating Expenses	<u>21,028</u>	<u>21,028</u>	<u>-</u>
Total Financial and Administrative	<u>515,305</u>	<u>471,016</u>	<u>44,289</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Legal Counsel:			
County Attorney:			
Operating Expenses	<u>17,456</u>	<u>17,456</u>	<u>-</u>
Total Legal Counsel	<u>17,456</u>	<u>17,456</u>	<u>-</u>
Comprehensive Planning:			
County Development			
Industrial Development	<u>1,518</u>	<u>1,518</u>	<u>-</u>
County Planning:			
Personal Services	61,318	61,318	-
Operating Expenses	22,378	22,351	27
Capital Outlay	<u>5,133</u>	<u>5,133</u>	<u>-</u>
Total County Planning	<u>88,829</u>	<u>88,802</u>	<u>27</u>
Total Comprehensive Planning	<u>90,347</u>	<u>90,320</u>	<u>27</u>
Judicial:			
Clerk of the Circuit Court:			
Personal Services	64,310	64,310	-
Operating Expenses	66,090	48,126	17,964
Capital Outlay	<u>23,000</u>	<u>37,282</u>	<u>(14,282)</u>
Total Clerk of the Circuit Court	<u>153,400</u>	<u>149,718</u>	<u>3,682</u>
Circuit Court:			
Operating Expenses	109,000	108,289	711
Capital Outlay	<u>4,333</u>	<u>4,333</u>	<u>-</u>
Total Circuit Court	<u>113,333</u>	<u>112,622</u>	<u>711</u>
County Court:			
Operating Expenses	4,162	3,316	846
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total County Court	<u>4,162</u>	<u>3,316</u>	<u>846</u>
State Attorney:			
Operating Expenses	10,887	10,887	-
Capital Outlay	<u>3,133</u>	<u>3,133</u>	<u>-</u>
Total State Attorney	<u>14,020</u>	<u>14,020</u>	<u>-</u>
Public Defender:			
Operating Expenses	<u>3,506</u>	<u>3,506</u>	<u>-</u>
Total Public Defender	<u>3,506</u>	<u>3,506</u>	<u>-</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Court Reporters:			
Operating Expenses	32,082	32,082	-
Total Court Reporters	<u>32,082</u>	<u>32,082</u>	<u>-</u>
Total Judicial	<u>320,503</u>	<u>315,264</u>	<u>5,239</u>
Other General Governmental Services:			
Supervisor of Elections			
Personal Services	116,910	115,302	1,608
Operating Expenses	29,683	27,821	1,862
Capital Outlay	3,000	-	3,000
Total Supervisor of Elections	<u>149,593</u>	<u>143,123</u>	<u>6,470</u>
Other Maintenance Services:			
Courthouse and Annexes:			
Personal Services	18,113	18,111	2
Operating Expenses	100,013	100,554	(541)
Capital Outlay	4,825	3,665	1,160
Total Other Maintenance Svcs.	<u>122,951</u>	<u>122,330</u>	<u>621</u>
Total Other General Governmental Services	<u>272,544</u>	<u>265,453</u>	<u>7,091</u>
TOTAL GENERAL GOVERNMENT SERVICES	<u>1,454,411</u>	<u>1,396,008</u>	<u>58,403</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, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Detentions and/or Correction:			
Operating Expenses	234,372	233,494	878
Capital Outlay	<u>2,463</u>	<u>2,463</u>	<u>-</u>
Total Detention and/or Correction	<u>236,835</u>	<u>235,957</u>	<u>878</u>
Protective Inspections:			
Building Inspection:			
Personal Services	40,641	40,571	70
Operating Expenses	17,954	17,416	538
Capital Outlay	<u>592</u>	<u>592</u>	<u>-</u>
Total Building Inspection	<u>59,187</u>	<u>58,579</u>	<u>608</u>
Construction Industry Licensing:			
Personal Services	16,545	13,465	3,080
Operating Expenses	1,577	1,014	563
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Construction Industry Licensing	<u>18,122</u>	<u>14,479</u>	<u>3,643</u>
Total Protective Inspection	<u>77,309</u>	<u>73,058</u>	<u>4,251</u>
Emergency and Disaster Relief Services:			
Emergency Management:			
Personal Services	50,457	46,403	4,054
Operating Expenses	43,906	37,084	6,822
Capital Outlay	<u>24,828</u>	<u>16,486</u>	<u>8,342</u>
Total Emergency and Disaster Relief Services	<u>119,191</u>	<u>99,973</u>	<u>19,218</u>
Ambulance and Rescue Services:			
Personal Services	167,576	162,528	5,048
Operating Expenses	177,974	173,673	4,301
Capital Outlay	<u>154,829</u>	<u>154,829</u>	<u>-</u>
Total Ambulance and Rescue Svcs.	<u>500,379</u>	<u>491,030</u>	<u>9,349</u>
Medical Examiner			
Operating Expenses	<u>20,302</u>	<u>20,302</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>965,316</u>	<u>931,599</u>	<u>33,717</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PHYSICAL ENVIRONMENT</u>			
Garbage/Solid Waste Disposal:			
Refuse:			
Personal Services	98,304	98,304	-
Operating Expenses	65,337	65,037	300
Capital Outlay	-	-	-
Total Garbage/Solid Waste Disposal	163,641	163,341	300
Conservation and Resource Management:			
Soil Conservation:			
Operating Expenses	1,975	1,525	450
Total Soil Conservation	1,975	1,525	450
Agriculture and Home Economics Agent:			
Personal Services	64,251	64,046	205
Operating Expenses	23,767	20,937	2,830
Capital Outlay	1,000	286	714
Total Agriculture and Home Economics Agent	89,018	85,269	3,749
Total Conservation and Resource Management	90,993	86,794	4,199
TOTAL PHYSICAL ENVIRONMENT	254,634	250,135	4,499

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>ECONOMIC ENVIRONMENT</u>			
Veterans Affairs			
Operating Expenses	958	877	81
TOTAL ECONOMIC ENVIRONMENT	<u>958</u>	<u>877</u>	<u>81</u>
<u>HUMAN SERVICES</u>			
Health:			
Health Department:			
Operating Expenses	3,262	3,262	-
Indigent Health Care:			
Operating Expenses	114,039	98,110	15,929
Total Health	<u>117,301</u>	<u>101,372</u>	<u>15,929</u>
Mental Health:			
Grants and Aids	18,244	13,101	5,143
TOTAL HUMAN SERVICES	<u>135,545</u>	<u>114,473</u>	<u>21,072</u>
<u>CULTURE/RECREATION</u>			
Libraries:			
Personal Services	89,577	88,254	1,323
Operating Expenses	66,079	45,208	20,871
Capital Outlay	36,933	36,933	-
Total Libraries	<u>192,589</u>	<u>170,395</u>	<u>22,194</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS - CONTINUED

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Parks and Recreation:			
Personal Services	18,078	16,883	1,195
Operating Expenses	11,042	10,239	803
Capital Outlay	<u>26,892</u>	<u>26,892</u>	<u>-</u>
Total Parks and Recreation	<u>56,012</u>	<u>54,014</u>	<u>1,998</u>
TOTAL CULTURE/RECREATION	<u>248,601</u>	<u>224,409</u>	<u>24,192</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfer:			
Transfer to Fine & Forfeiture Fund	<u>559,507</u>	<u>559,507</u>	<u>-</u>
Transfer to Fire Assessment Fund	<u>37,308</u>	<u>37,308</u>	<u>-</u>
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>596,815</u>	<u>596,815</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$3,656,280</u>	<u>\$3,514,316</u>	<u>\$141,964</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	\$ <u> -</u>	\$ <u>112,533</u>	\$ <u>112,533</u>
<u>NON-REVENUE</u>			
Road Bond Proceeds	2,000,000	-	(2,000,000)
TOTAL REVENUES	\$ <u>2,000,000</u>	\$ <u>112,533</u>	\$ <u>(1,887,467)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TRANSPORTATION</u>			
Road Construction	\$ <u>1,930,814</u>	\$ <u>475,598</u>	\$ <u>1,455,216</u>
<u>PHYSICAL ENVIRONMENT</u>			
Water and Sewer Construction	<u>69,186</u>	<u>69,186</u>	<u>-</u>
TOTAL EXPENDITURES	\$<u>2,000,000</u>	\$<u>544,784</u>	\$<u>1,455,216</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
TAXES			
Ad Valorem Taxes	\$ 433,636	\$ 422,191	\$ (11,445)
<u>INTERGOVERNMENTAL REVENUE</u>			
Grants from Other Governments:			
Public Safety	<u>108,434</u>	<u>77,248</u>	<u>(31,186)</u>
<u>CHARGES FOR SERVICES</u>			
General Government			
Sheriff's Fees	<u>11,000</u>	<u>18,090</u>	<u>7,090</u>
<u>FINES AND COSTS</u>			
Court Cases:			
Confiscated Property	-	1,565	1,565
County Fines	195,000	202,972	7,972
Court Education Trust Fund	8,000	7,123	(877)
Communication Trust Fund	<u>26,718</u>	<u>40,738</u>	<u>14,020</u>
TOTAL FINES AND COSTS	<u>229,718</u>	<u>252,398</u>	<u>22,680</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest and other	<u>-</u>	<u>7,197</u>	<u>7,197</u>
<u>NON-REVENUES</u>			
Transfer from Local Option			
Sales Tax Fund	222,844	222,844	-
Transfer from General Fund	559,507	559,507	-
Transfer from County			
Transportation Trust Fund	<u>111,625</u>	<u>-</u>	<u>(111,625)</u>
TOTAL NON-REVENUES	<u>893,976</u>	<u>782,351</u>	<u>(111,625)</u>
TOTAL REVENUES	<u>\$1,676,764</u>	<u>\$1,559,475</u>	<u>\$(117,289)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PUBLIC SAFETY</u>			
Law Enforcement:			
Sheriff:			
Personal Services	\$ 1,095,686	\$1,095,686	\$ -
Operating Expenses	449,526	436,248	13,278
Capital Outlay	<u>132,464</u>	<u>132,464</u>	<u>-</u>
TOTAL PUBLIC SAFETY	<u>\$1,677,676</u>	<u>\$1,664,398</u>	<u>\$13,278</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
Federal Grants:			
Economic Environment:			
Job Training Partnership Act	\$ 101,462	\$ 59,884	\$(41,578)
HUD	1,123,422	522,284	(601,138)
Other Economic Environment	<u>324,917</u>	<u>67,182</u>	<u>(257,735)</u>
Total Federal Grants	<u>1,549,801</u>	<u>649,350</u>	<u>(900,451)</u>
State Grants:			
Economic Environment:			
State Housing Initiatives Partnership	<u>250,000</u>	<u>234,604</u>	<u>(15,396)</u>
TOTAL INTERGOVERNMENTAL REVENUES	<u>1,799,801</u>	<u>883,954</u>	<u>(915,847)</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>299</u>	<u>299</u>
TOTAL REVENUES	<u>\$1,799,801</u>	<u>\$884,253</u>	<u>\$(915,548)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>ECONOMIC ENVIRONMENT</u>			
Employment Opportunity and Development:			
Jobs Training Partnership Act			
Personal Services	\$ 36,482	\$ 36,482	\$ -
Operating Expenses	<u>75,437</u>	<u>18,518</u>	<u>56,919</u>
Total Jobs Training Partnership Act	<u>111,919</u>	<u>55,000</u>	<u>56,919</u>
Housing and Urban Development			
Personal Services	92,970	91,865	1,105
Operating Expenses	<u>1,156,872</u>	<u>694,239</u>	<u>462,633</u>
Total Housing and Urban Development	<u>1,249,842</u>	<u>786,104</u>	<u>463,738</u>
Other Economic Development			
Personal Services	30,874	29,798	1,076
Operating Expenses	<u>317,175</u>	<u>22,680</u>	<u>294,495</u>
Total Other Economic Development	<u>348,049</u>	<u>52,478</u>	<u>295,571</u>
TOTAL EXPENDITURES	<u>\$1,709,810</u>	<u>\$893,582</u>	<u>\$816,228</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1996

<u>TAXES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Local Option Gasoline Tax	\$1,003,206	\$ 672,877	\$ (330,329)
 <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	6,750	12,248	5,498
Gasoline Tax Pour Over Trust	233,254	218,240	(15,014)
Gasoline Tax - 5th and 6th cent	<u>282,657</u>	<u>276,643</u>	<u>(6,014)</u>
Total Transportation	<u>522,661</u>	<u>507,131</u>	<u>(15,530)</u>
TOTAL INTERGOVERNMENTAL REVENUE	<u>634,286</u>	<u>618,756</u>	<u>(15,530)</u>
 <u>MISCELLANEOUS REVENUE</u>			
Pipe Installation Fees	6,000	10,972	4,972
Interest Earnings	11,000	23,666	12,666
Other Miscellaneous Revenue	<u>-</u>	<u>1,100</u>	<u>1,100</u>
TOTAL MISCELLANEOUS REVENUE	<u>17,000</u>	<u>35,738</u>	<u>18,738</u>
TOTAL REVENUES	<u>\$1,654,492</u>	<u>\$1,327,371</u>	<u>\$ (327,121)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TRANSPORTATION</u>			
Road and Street Facilities:			
Roads and Bridges:			
Personal Services	\$ 741,654	\$ 707,113	\$ 34,541
Operating Expenses	577,687	541,476	36,211
Capital Outlay	<u>150,000</u>	<u>139,345</u>	<u>10,655</u>
TOTAL TRANSPORTATION	<u>1,469,341</u>	<u>1,387,934</u>	<u>81,407</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to Fine & Forfeiture Fund	111,625	-	111,625
Transfer to Debt Service Fund	<u>210,000</u>	<u>210,000</u>	<u>-</u>
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>321,625</u>	<u>210,000</u>	<u>111,625</u>
TOTAL EXPENDITURES	<u>\$1,790,966</u>	<u>\$1,597,934</u>	<u>\$193,032</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (<u>UNFAVORABLE</u>)
<u>MISCELLANEOUS REVENUES</u>			
Fire Assessment	\$216,878	\$216,912	\$ 34
Interest Earnings	-	1,376	1,376
Miscellaneous	<u>3,206</u>	<u>3,206</u>	<u>-</u>
TOTAL MISCELLANEOUS REVENUES	<u>\$220,084</u>	<u>\$221,494</u>	<u>\$1,410</u>
<u>NON-REVENUES</u>			
Transfer from General Fund	\$ 37,308	\$ 37,308	\$ -
Transfer from Local Option Sales Tax Fund	<u>54,808</u>	<u>54,701</u>	<u>(107)</u>
TOTAL NON-REVENUES	<u>\$ 92,116</u>	<u>\$ 92,009</u>	<u>\$ (107)</u>
TOTAL REVENUES	<u>\$ 312,200</u>	<u>\$ 313,503</u>	<u>\$ 1,303</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PUBLIC SAFETY</u>			
Fire Control:			
Personal Services	\$214,176	\$214,176	\$ -
Operating Expenses	48,397	48,397	-
Capital Outlay	<u>37,809</u>	<u>37,809</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$300,382</u>	<u>\$300,382</u>	<u>\$ -</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, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TAXES</u>			
Local Option Sales Tax	<u>\$279,273</u>	<u>\$396,649</u>	<u>\$117,376</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>16,279</u>	<u>16,279</u>
<u>TOTAL REVENUES</u>	<u>\$279,273</u>	<u>\$412,928</u>	<u>\$133,655</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, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL GOVERNMENT SERVICES</u>			
Other Maintenance Services:			
Capital Outlay	\$ <u>36,979</u>	\$ <u>36,979</u>	\$ <u> -</u>
<u>NON-EXPENDITURE DISBURSEMENTS</u>			
Interfund Transfers:			
Transfer to Fine and Forfeiture Fund	222,844	222,844	-
Transfer to Fine Assessment Fund	30,000	30,000	-
Transfer to Debt Service Fund	<u>54,808</u>	<u>54,701</u>	<u>107</u>
TOTAL NON-EXPENDITURE DISBURSEMENTS	<u>307,652</u>	<u>307,545</u>	<u>107</u>
TOTAL EXPENDITURES	<u>\$344,631</u>	<u>\$344,524</u>	<u>\$ 107</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, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (<u>UNFAVORABLE</u>)
<u>FINES AND COSTS</u>			
Court Fines	\$ <u>27,000</u>	\$ <u>29,396</u>	\$ <u>2,396</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earned	<u>-</u>	<u>773</u>	<u>773</u>
TOTAL REVENUES	\$ <u>27,000</u>	\$ <u>30,169</u>	\$ <u>3,169</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, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>NON-EXPENDITURE DISBURSEMENT</u>			
Interfund Transfer:			
Transfer to General Fund	\$ <u>35,057</u>	\$ <u>35,057</u>	\$ <u> -</u>
TOTAL EXPENDITURES	\$ <u>35,057</u>	\$ <u>35,057</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, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>INTERGOVERNMENTAL REVENUE</u>			
State Grants:			
Physical Environment	\$1,212,157	\$1,328,795	\$116,638
<u>MISCELLANEOUS REVENUE</u>			
Solid Waste Special Assessment	540,000	570,266	30,266
Interest Earnings	-	49,805	49,805
Other	<u>17,000</u>	<u>10,266</u>	<u>(6,734)</u>
TOTAL MISCELLANEOUS REVENUE	<u>557,000</u>	<u>630,337</u>	<u>73,337</u>
TOTAL REVENUES	<u>\$1,769,157</u>	<u>\$1,959,132</u>	<u>\$189,975</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>PHYSICAL ENVIRONMENT</u>			
Garbage/Solid Waste Disposal:			
Landfill/Refuse:			
Personal Services	\$ 135,441	\$ 135,441	\$ -
Operating Expenses	1,341,455	687,872	653,583
Capital Outlay	<u>1,026,838</u>	<u>1,026,838</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$2,503,734</u>	<u>\$1,850,151</u>	<u>\$653,583</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>CHARGES FOR SERVICES</u>			
Public Safety:			
Emergency Service Fees	\$ <u>28,000</u>	\$ <u>33,111</u>	\$ <u>5,111</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>1,704</u>	<u>1,704</u>
TOTAL REVENUES	\$ <u>28,000</u>	\$ <u>34,815</u>	\$ <u>6,815</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<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>56,188</u>	\$ <u>24,935</u>	\$ <u>31,253</u>
TOTAL EXPENDITURES	\$ <u>56,188</u>	\$ <u>24,935</u>	\$ <u>31,253</u>

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

STATEMENT OF REVENUES - BUDGETED AND ACTUAL

Year ended September 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
<u>INTERGOVERNMENTAL REVENUE</u>			
State Shared Revenue:			
Transportation			
Gasoline Tax - 5th and 6th			
Cent	<u>\$325,310</u>	<u>\$312,571</u>	<u>\$(12,739)</u>
<u>MISCELLANEOUS REVENUE</u>			
Interest Earnings	<u>-</u>	<u>9,728</u>	<u>9,728</u>
NON-REVENUES			
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>\$565,310</u>	<u>\$562,299</u>	<u>\$(3,011)</u>

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

STATEMENT OF EXPENDITURES COMPARED WITH APPROPRIATIONS

Year ended September 30, 1996

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>DEBT SERVICE</u>			
Principal Retirement	\$290,970	\$291,667	\$(697)
Interest	<u>258,074</u>	<u>252,088</u>	<u>5,986</u>
TOTAL EXPENDITURES	<u>\$549,044</u>	<u>\$543,755</u>	<u>\$ 5,289</u>

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) (f) 4.), we determined that the financial information for the Jefferson County, Florida, Board of Commissioners, for the fiscal year ended September 30, 1996, 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, 1996.

The Rules of Auditor General (Sections 10.554 (1) (f) 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) (f) 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, Schuck, & Jones

December 31, 1996

**INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF
FEDERAL AND STATE FINANCIAL ASSISTANCE**

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, for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996. These combined financial statements are the responsibility of the management of the Board of County Commissioners of Jefferson County, Florida. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 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.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements of the Board of County Commissioners of Jefferson County, Florida taken as a whole. The accompanying schedule of federal and state financial assistance is presented for purposes of additional analysis and is not a required part of the combined financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly presented in all material respects in relation to the combined financial statements taken as a whole.

Betts, Rogers, Schenck & Jones

Jefferson County, Florida
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 For the year ended September 30, 1996

<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.S. Department of HUD				
Direct Programs: Section 8	14.156**	N/A	\$486,299	\$431,559
Passed Through State Department of Community Affairs: Community Development Block Grant	14.219	93DB-49-02-43-01-E31	<u>18,316</u>	<u>9,003</u>
TOTAL DEPARTMENT OF HUD			<u>\$504,615</u>	<u>\$440,562</u>
U.S. Department of Labor				
Passed Through Leon County Board of Commissioners: Job Training Partnership Act:				
Title II A	17.246-50	IIA - 95/96	\$15,830	\$ 17,533
Title II B	17.246-50	IIB - 95/96	22,790	22,714
EDWAA	17.246-50	III - 95/96	11,335	9,728
Title II C	17.246-50	IIC - 95/96	<u>10,262</u>	<u>9,475</u>
TOTAL DEPARTMENT OF LABOR			<u>\$ 60,217</u>	<u>\$ 59,450</u>
U.S. Department of Energy				
Passed Through State Department of Community Affairs:				
Weatherization Assistance for Low-Income Persons	81.042	96-WX-4D-02-43-01-012	\$ 42,991	\$ 42,991
Weatherization Assistance for Low-Income Persons	81.042	96-LH-4R-02-43-01-012	29,749	29,749
Weatherization Assistance for Low-Income Persons	81.042	95-LE-62-02-43-01-012	<u>5,345</u>	<u>5,345</u>
TOTAL DEPARTMENT OF ENERGY			<u>\$ 78,085</u>	<u>\$78,085</u>

Jefferson County, Florida
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED
 For the year ended September 30, 1996

<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 Agriculture</u>				
Passed Through State Department of Health and Rehabilitative Services: Food Distribution	10.550	2890	\$ 3,093	\$ 2,046
Passed Through State Division of Forestry Rural Community Fire Protection	10.662	-	<u>481</u>	<u>481</u>
TOTAL DEPARTMENT OF AGRICULTURE			\$ <u>3,574</u>	\$ <u>2,527</u>
<u>U.S. Federal Emergency Management Agency</u>				
Passed Through State: Department of Community Affairs: Emergency Management Assistance	83.503	96-EM-6U-02-43-10-033	\$ 21,509	\$ 21,509
Emergency Management Assistance	83.503	96-CP-05-02-43-01-033	<u>54,871</u>	<u>54,871</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			\$ <u>76,380</u>	\$ <u>76,380</u>
<u>U.S. Department of Health and Human Services</u>				
Passed Through State Department of Community Affairs: Community Services Block Grant	13.792	96-SB-5H-02-43-01-052	<u>2,558</u>	<u>3,605</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ <u>2,558</u>	\$ <u>3,605</u>
<u>U.S. Department of Justice</u>				
Passed Through State Department of Community Affairs: Anti-Drug Abuse Act	16.579	96-CJ-3S-02-43-01-050	\$ 72,698	\$ 72,698
Anti-Drug Abuse Act	16.579	95-CJ-1U-02-43-01-185	<u>32,196</u>	<u>32,196</u>
TOTAL DEPARTMENT OF JUSTICE			\$ <u>104,894</u>	\$ <u>104,894</u>
<u>U.S. Department of Commerce</u>				
Public Works and Economic Development Act	11.300	N/A	\$ -	\$ 4,376
TOTAL DEPARTMENT OF COMMERCE			\$ -	\$ <u>4,376</u>
TOTAL FEDERAL ASSISTANCE			\$ <u>830,323</u>	\$ <u>769,879</u>

Jefferson County, Florida
 SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE - CONTINUED
 For the year ended September 30, 1996

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts*</u>	<u>Disbursements</u>
State Assistance:				
Department of Environmental Protection				
Recycling and Education Grant	N/A	RE 96-31	\$ 74,621	\$ 74,621
Waste Tire Grant	N/A	WT 96-33	9,126	9,126
Solid Waste Grant	N/A	SC 96-18	43,449	43,449
Litter Control and Prevention Grant	N/A	LC 96-30	4,733	4,733
Landfill Closure Grant	N/A	SCLF-03**	1,195,582	1,195,582
Recreation and Development Grant	N/A	F9527	19,690	19,690
TOTAL DEPARTMENT OF ENVIRONMENTAL PROTECTION			<u>\$1,347,201</u>	<u>\$1,347,201</u>
Department of State:				
State Aid to Libraries ***	N/A	96-ST-68	\$ 91,777	\$ 91,777
TOTAL DEPARTMENT OF STATE			<u>\$ 91,777</u>	<u>\$ 91,777</u>
Department of Community Affairs:				
State Housing Initiatives Partnership	N/A	SHIP 95-96	\$ 234,604	\$ 305,360
Evaluation and Planning Grant	N/A	96-DR-82-02-43-01-004	14,069	14,069
TOTAL DEPARTMENT OF COMMUNITY AFFAIRS			<u>\$ 248,673</u>	<u>\$ 319,429</u>
Department of Health and Rehabilitative Services				
Emergency Medical Services	N/A	C9633	\$ 13,152	\$ 13,152
Advanced Life Support Grant	N/A	M4143	67,500	67,500
First Responder Grant	N/A	M5104	938	938
TOTAL DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES			<u>\$ 81,590</u>	<u>\$ 81,590</u>
TOTAL STATE ASSISTANCE			<u>\$1,769,241</u>	<u>\$1,839,997</u>
TOTAL FEDERAL AND STATE ASSISTANCE			<u>\$2,599,564</u>	<u>\$2,609,876</u>

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

**Indicates a major program.

***Indicates state grants and aids appropriation.

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

December 31, 1996

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

To the Board of County Commissioners
of Jefferson County, Florida

We have audited the combined financial statements of the Board of County Commissioners of Jefferson County, Florida for the year ended September 30, 1996, and have issued our report thereon dated December 31, 1996.

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 Board of County Commissioners of Jefferson County, Florida 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 combined financial statements of the Board of County Commissioners of Jefferson County, Florida, for the year ended September 30, 1996, 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 combined 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 combined 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.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the Board of County Commissioners in a separate letter dated December 31, 1996.

This report is intended for the information of the management of the Board of County Commissioners of Jefferson County, Florida, and the U.S. Department of Housing and Urban Development as cognizant agency. However, this report is a matter of public record and its distribution is not limited.

Betts, Rogers, Schenck & 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
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

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

December 31, 1996

**INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL
STRUCTURE USED IN ADMINISTERING FEDERAL
FINANCIAL ASSISTANCE PROGRAMS**

To the Board of County Commissioners
of Jefferson County, Florida

We have audited the combined financial statements of the Board of County Commissioners of Jefferson County, Florida for the year ended September 30, 1995, and have issued our report thereon dated December 31, 1996. We have also audited the Board of County Commissioners of Jefferson County, Florida's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 31, 1996.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement and about whether the Board of County Commissioners of Jefferson County, Florida, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended September 30, 1996, we considered the County's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the county's combined financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the combined financial statements in a separate report dated December 31, 1996.

The management of the Board of County Commissioners of Jefferson County, Florida 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, that transactions are executed in accordance with management's authorization, and recorded properly to permit the preparation of combined financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories: General Administrative Controls - Political activity; Davis Bacon Act: civil rights; cash management; relocation assistance and real property acquisition; federal financial reports; allowable costs; Drug-free Workplace Act; administrative requirements; Specific Administrative Controls - Allowable costs; reporting; cost allocation; claims for advances or reimbursements.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1996, the Board of County Commissioners of Jefferson County, Florida expended 56% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the County's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal and State Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable 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 noncompliance with laws and regulations that would be material to a federal financial assistance program 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.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the Board of County Commissioners in a separate letter dated December 31, 1996.

This report is intended for the information of the management of the Board of County Commissioners of Jefferson County, Florida, and the U.S. Department of Housing and Urban Development as cognizant agency. However, this report is a matter of public record and its distribution is not limited.

Betts, Rogers, Schenck & 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
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

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

December 31, 1996

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

To the Board of County Commissioners
of 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, 1996, and have issued our report thereon dated December 31, 1996.

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 County of Jefferson, Florida is the responsibility of Jefferson County Board of County Commissioners. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Jefferson County's compliance with certain provisions of laws, regulations, contracts and grants, including those applicable to State grants and aids appropriations identified in the Schedule of Federal and State Financial Assistance pursuant to Section 216.349, Florida Statutes, and Chapter 10.600, Rules of the Auditor General. However, the objective of our audit of the basic 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 management, and the U.S. Department of Housing and Urban Development as cognizant agency. However, this report is a matter of public record and its distribution is not limited.

Betts, Rogers, Schenck & 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
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

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

December 31, 1996

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Board of County Commissioners
of 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, 1996, and have issued our report thereon dated December 31, 1996.

We have applied procedures to test the Board of County Commissioners of Jefferson County, Florida's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal and State Financial Assistance, for the year ended September 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, federal financial reports, allowable costs\cost principles and Drug-free Workplace Act.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Board of County Commissioners of Jefferson County, Florida's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Board of County Commissioners of Jefferson County, Florida had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management and the U.S. Department of Housing and Urban Development, as cognizant agency. However, this report is matter of public record and its distribution is not limited.

Betts, Rogers, Schenck & 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
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

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

December 31, 1996

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Board of County Commissioners
of 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, 1996, and have issued our report thereon dated December 31, 1996.

We have also audited the Board of County Commissioners of Jefferson County, Florida's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal and State Financial Assistance, for the year ended September 30, 1996. The management of the Board of County Commissioners of Jefferson County, Florida is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office and Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments" and the provisions of the Public and Indian Housing Compliance Supplement dated May 29, 1996. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Board of County Commissioners of Jefferson County, Florida complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs for the year ended September 30, 1996.

This report is intended for the information of management and the U.S. Department of Housing and Urban Development, as cognizant agency. However, this report is a matter of public record and its distribution is not limited.

Betts, Rogers, Schenck & 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
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

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

December 31, 1996

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS**

To the Board of County Commissioners
of 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, 1996, and have issued our report thereon dated December 31, 1996.

In connection with our audit of the combined financial statements of the Board of County Commissioners of Jefferson County, Florida, and with our consideration of the County's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Board of County Commissioners of Jefferson County, Florida had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management, and the U.S. Department of Housing and Urban Development, as cognizant agency. 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
CLERK OF THE CIRCUIT COURT
THE COUNTY OF JEFFERSON, FLORIDA
SEPTEMBER 30, 1996

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

November 25, 1996

INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners and
The Honorable Eleanor B. Hawkins,
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, 1996 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, 1996, and the results of operations of the general fund and the recorded cash transactions of the agency funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 25, 1996 on our consideration of the Clerk of the Circuit Court's internal control structure and a report dated November 25, 1996 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, 1996

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM) ONLY</u>
ASSETS			
Cash	\$ -	\$131,495	\$131,495
Accounts receivable	<u>-</u>	<u>400</u>	<u>400</u>
Total assets	<u>\$ -</u>	<u>\$131,895</u>	<u>\$131,895</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other governments	\$ -	\$105,343	\$105,343
Deposits held in escrow	<u>-</u>	<u>26,552</u>	<u>26,552</u>
Total liabilities	-	131,895	131,895
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$131,895</u>	<u>\$131,895</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, 1996

	SUSPENSE ACCOUNT	COURT REGISTRY	TAX REDEMPTION	TOTALS (MEMORANDUM ONLY)
ASSETS				
Cash	\$117,943	\$13,552	\$ -	\$131,495
Accounts receivable	<u>400</u>	<u>-</u>	<u>-</u>	<u>400</u>
Total assets	<u>\$118,343</u>	<u>\$13,552</u>	<u>\$ -</u>	<u>\$131,895</u>
LIABILITIES				
Due to other governments	\$105,343	\$ -	\$ -	\$105,343
Deposits held in escrow	<u>13,000</u>	<u>13,552</u>	<u>-</u>	<u>26,552</u>
Total liabilities	<u>\$118,343</u>	<u>\$13,552</u>	<u>\$ -</u>	<u>\$131,895</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, 1996

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
Clerk's fees	\$197,143	\$221,357	\$ 24,214
County appropriation	<u>151,670</u>	<u>151,670</u>	<u>-</u>
Total revenues	<u>348,813</u>	<u>373,027</u>	<u>24,214</u>
Expenditures			
Salary of official	64,310	64,310	-
Other salaries and benefits	220,803	221,939	(1,136)
Expenses other than salaries	40,700	37,073	3,627
Capital outlay	<u>23,000</u>	<u>37,282</u>	<u>(14,282)</u>
Total expenditures	<u>348,813</u>	<u>360,604</u>	<u>(11,791)</u>
Excess of revenues over expenditures	\$ <u>-</u>	-	\$ <u>12,423</u>
Fund balance - beginning of year		-	
Less: Amount reverting to Board of County Commissioners		<u>12,423</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, 1996

	AGENCY FUNDS			TOTALS
	SUSPENSE	COURT	TAX	(MEMORANDUM
	ACCOUNT	REGISTRY	REDEMPTION	ONLY)
Receipts:				
Collection of fines	\$ 490,825	\$ -	\$ -	\$ 490,825
Documentary and surtax stamps	294,043	-	-	294,043
Fees for services	182,946	-	-	182,946
Intangible taxes	57,443	-	-	57,443
Individual and child support	869,722	-	-	869,722
Deposits received	188,193	259,466	-	447,659
Interest earned	-	1,078	-	1,078
Total receipts	<u>2,083,172</u>	<u>260,544</u>	<u>-</u>	<u>2,343,716</u>
Disbursements:				
Disbursement of fines	411,594	-	-	411,594
Documentary and surtax stamps	294,043	-	-	294,043
Disbursement of fees	149,945	-	-	149,945
Disbursement of intan- gible taxes	57,443	-	-	57,443
Individual and child support	869,722	-	-	869,722
Deposits distributed	<u>270,554</u>	<u>277,972</u>	<u>-</u>	<u>548,526</u>
Total disbursements	<u>2,053,301</u>	<u>277,972</u>	<u>-</u>	<u>2,331,273</u>
Excess of receipts over (under) disbursements	29,871	(17,428)	-	12,443
Beginning cash balances	<u>88,072</u>	<u>30,980</u>	<u>-</u>	<u>119,052</u>
Ending cash balances	<u>\$ 117,943</u>	<u>\$ 13,552</u>	<u>\$ -</u>	<u>\$ 131,495</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

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 her 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, 1996

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, 1996

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 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, 1996

NOTE 3 - CASH

Cash Deposits

At September 30, 1996, the carrying amount of the Jefferson County Clerk's deposits was \$131,261 and the bank balance was \$161,124. 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 \$223,316. The total payroll for the year ended September 30, 1996 was \$223,316.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1996

NOTE 4 - EMPLOYEE BENEFITS (Continued)

Pension Plan (Continued)

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 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, 1996, the Jefferson County Clerk contributed \$45,905 to the System for covered employees, which represents 20.56% 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 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 1995-96 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, 1996

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, 1996

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

November 25, 1996

MANAGEMENT LETTER

Honorable Eleanor B. Hawkins
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, 1996, and have issued our report thereon dated November 25, 1996.

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, 1996. 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)(f)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)(f)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)(f)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)(f)4.), we determined that the financial information for the Jefferson County, Florida, Clerk of the Circuit Courts, for the fiscal year ended September 30, 1996, 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, 1996.

The Rules of the Auditor General (Section 10.554 (1)(f)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)(f) 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)(f) 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.

Blitz, Ragan, 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
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, 1996

To the Honorable Eleanor B. Hawkins
Clerk of the Circuit Court
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 Clerk of the Circuit Court of Jefferson County, Florida as of and for the year ended September 30, 1996, and have issued our report thereon dated November 25, 1996.

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, 1996, 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.

Bette, Rogee, 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
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, 1996

To the Honorable Eleanor B. Hawkins
Clerk of the Circuit Court
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 Clerk of the Circuit Court of Jefferson County, Florida as of and for the year ended September 30, 1996, and have issued our report thereon dated November 25, 1996.

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, 1996

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

November 13, 1996

INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners
and The Honorable Lois M. Ritter,
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, 1996 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, 1996, 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, 1996 on our consideration of the Jefferson County, Florida Supervisor of Elections' internal control structure and a report dated November 13, 1996 on its compliance with laws and regulations.

Betts, Rogers, Schenck & Jones

The County of Jefferson, Florida
Supervisor of Elections

COMBINED BALANCE SHEET

September 30, 1996

	<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, 1996

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$ <u>148,728</u>	\$ <u>148,728</u>	\$ -
Expenditures			
Salary of official	52,924	52,924	-
Other salaries and benefits	63,986	62,378	1,608
Operating expenses	28,818	26,957	1,861
Capital outlay	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenditures	<u>148,728</u>	<u>142,259</u>	<u>6,469</u>
Excess of revenues over expenditures	\$ <u>-</u>	6,469	\$ <u>6,469</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>6,469</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, 1996

	<u>AGENCY FUND</u>
Receipts	
Candidate qualifying fees	<u>\$41,719</u>
Disbursements	
Democratic Executive Committee	20,993
Division of Elections	<u>20,726</u>
Total disbursements	<u>41,719</u>
Excess of receipts over disbursements	-
Beginning cash balance	-
Ending cash balance	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

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, 1996

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, 1996

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, 1996

NOTE 3 - CASH

Cash Deposits

At September 30, 1996, the carrying amount of the Jefferson County Supervisor's deposits was \$-0- and the bank balance was \$15,424. 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 \$75,738. The total payroll for the year ended September 30, 1996 was \$80,365.

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, 1996

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, 1996, the Jefferson County Supervisor of Elections contributed \$18,963 to the System for covered employees, which represents 25.04% 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 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 1995-96 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, 1996

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, 1996

November 13, 1996

MANAGEMENT LETTER

Honorable Lois M. Ritter
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, 1996, and have issued our report thereon dated November 13, 1996.

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, 1996. 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)(f)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)(f)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.

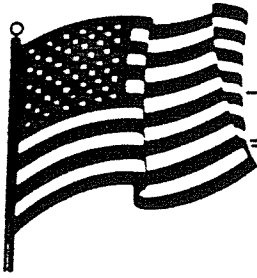
As required by the Rules of the Auditor General (Section 10.554 (1)(f)3.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Jefferson County, Florida, Supervisor 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)(f)4.), we determined that the financial information for the Jefferson County, Florida, Supervisor of Elections, for the fiscal year ended September 30, 1996, 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, 1996.

The Rules of the Auditor General (Sections 10.554 (1)(f) 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)(f) 6., 7., 8., 9.). However, we noted the Supervisor does not earn interest on excess funds maintained in her office operating bank account. We suggest the bank account be converted to an interest bearing account to maximize earnings on excess funds.

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, Schmitt & Jones



Donna Sorensen Cocroft

Supervisor of Elections

Jefferson County

January 21, 1997

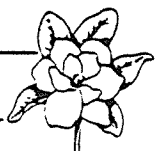
Honorable Clifford Brown
Chairman, Board of County Commissioners
Jefferson County, Florida

Dear Mr. Brown:

Please be advised that the operating bank account maintained by my office is now an interest bearing account. Also, all interest earned will be returned to the Board of County Commissioners along with any excess appropriated funds for the operation of my office each year.

Sincerely,

Donna Sorensen Cocroft
Supervisor of Elections



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

November 13, 1996

To the Honorable Lois M. Ritter
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, 1996, and have issued our report thereon dated November 13, 1996.

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, 1996, 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.

Bette Rogier, Schuchert & 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
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 13, 1996

To the Honorable Lois M. Ritter
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, 1996, and have issued our report thereon dated November 13, 1996.

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 management. 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

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

PROPERTY APPRAISER

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1996

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

October 25, 1996

INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners
and The Honorable Steve C. Walker, Jr.,
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, 1996 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, 1996, 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 October 25, 1996 on our consideration of the Jefferson County, Florida Property Appraiser's internal control structure and a report dated October 25, 1996 on its compliance with laws and regulations.

Betts, Rogers, Schenck & Jones

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

COMBINED BALANCE SHEET

September 30, 1996

	<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 accompanying notes are an integral part of this statement.

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

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

Year ended September 30, 1996

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$257,792	\$257,792	\$ -
Interest earned	<u>-</u>	<u>650</u>	<u>650</u>
Total revenues	<u>257,792</u>	<u>258,442</u>	<u>650</u>
Expenditures			
Salary of official	64,064	64,064	-
Other salaries and benefits	113,185	112,088	1,097
Operating expenses	77,112	42,392	34,720
Capital outlay	<u>3,431</u>	<u>3,431</u>	<u>-</u>
Total expenditures	<u>257,792</u>	<u>221,975</u>	<u>35,817</u>
Excess of revenues over expenditures	\$ <u>-</u>	36,467	<u>\$36,467</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>36,467</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, 1996

	<u>AGENCY FUND</u>
Receipts	
Aerial print & map sales	\$1,528
Real property tag fees	36
Water Management District Commissions	<u>2,294</u>
Total receipts	3,858
Disbursements	
Board of County Commissioners	<u>3,858</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, 1996

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, 1996

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, 1996

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, 1996

NOTE 3 - CASH

Cash Deposits

At September 30, 1996, the carrying amount of the Jefferson County Property Appraiser's deposits was \$96 and the bank balance was \$45,612. 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 \$135,137. The total payroll for the year ended September 30, 1996 was \$135,137.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1996

NOTE 4 - EMPLOYEE BENEFITS (Continued)

Pension Plan (Continued)

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 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, 1996, the Jefferson County Property Appraiser contributed \$30,518 to the System for covered employees, which represents 22.58% 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 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 1995-96 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, 1996

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, 1996

October 25, 1996

MANAGEMENT LETTER

Honorable Steve C. Walker, Jr.
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, 1996, and have issued our report thereon dated October 25, 1996.

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 25, 1996. 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)(f)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)(f)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)(f)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)(f)4.), we determined that the financial information for the Jefferson County, Florida, Property Appraiser, for the fiscal year ended September 30, 1996, 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, 1996.

The Rules of the Auditor General (Sections 10.554 (1)(f) 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)(f) 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, Ragan, Schuch, & Jovan

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

October 25, 1996

To the Honorable Steve C. Walker, Jr.
Property Appraiser
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 Property Appraiser of Jefferson County, Florida as of and for the year ended September 30, 1996, and have issued our report thereon dated October 25, 1996.

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, 1996, 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.

Betts, Rayon, 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
CERTIFIED PUBLIC ACCOUNTANTS
PROFESSIONAL ASSOCIATION

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

October 25, 1996

To the Honorable Steve C. Walker, Jr.
Property Appraiser
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 Property Appraiser of Jefferson County, Florida as of and for the year ended September 30, 1996, and have issued our report thereon dated October 25, 1996.

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 management. 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, 1996

November 15, 1996

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, 1996, 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, 1996, and the results of operations of the general fund and the recorded cash transactions of the agency funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 15, 1996 on our consideration of the Jefferson County, Florida Tax Collector's internal control structure and a report dated November 15, 1996 on its compliance with laws and regulations.

Betts, Rogers, Schenck & Jones

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

COMBINED BALANCE SHEET

September 30, 1996

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS			
Cash	\$ -	\$69,786	\$69,786
Due from individuals	<u>-</u>	<u>1,194</u>	<u>1,194</u>
Total assets	<u>\$ -</u>	<u>\$70,980</u>	<u>\$70,980</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other agencies	\$ -	\$70,830	\$70,830
Deposits held in escrow	<u>-</u>	<u>150</u>	<u>150</u>
Total liabilities	-	70,980	70,980
Fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$70,980</u>	<u>\$70,980</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, 1996

	<u>TAX</u> <u>ACCOUNT</u>	<u>TAG</u> <u>ACCOUNT</u>	<u>TOTALS</u> <u>(MEMORANDUM</u> <u>ONLY)</u>
ASSETS			
Cash	\$67,979	\$1,807	\$69,786
Due from individuals	<u>-</u>	<u>1,194</u>	<u>1,194</u>
Total assets	<u>\$67,979</u>	<u>\$3,001</u>	<u>\$70,980</u>
LIABILITIES			
Due to other agencies	\$67,979	\$2,851	\$70,830
Deposits held in escrow	<u>-</u>	<u>150</u>	<u>150</u>
Total liabilities	<u>\$67,979</u>	<u>\$3,001</u>	<u>\$70,980</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, 1996

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
County appropriation	\$195,888	\$195,888	\$ -
Other	<u>-</u>	<u>5,426</u>	<u>5,426</u>
Total revenues	<u>195,888</u>	<u>201,314</u>	<u>5,426</u>
Expenditures			
Personal services	167,180	166,486	694
Operating expenses	28,708	34,783	(6,075)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>195,888</u>	<u>201,269</u>	<u>(5,381)</u>
Excess of revenues over expenditures	<u>\$ -</u>	45	<u>\$ 45</u>
Fund balance - beginning of year		-	
Less: amount reverting to Board of County Commissioners		<u>45</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, 1996

	AGENCY FUNDS		
	<u>TAX ACCOUNT</u>	<u>TAG ACCOUNT</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
Receipts			
Real and personal property taxes	\$5,083,399	\$ -	\$5,083,399
Special assessments	9,733	-	9,733
Tax certificates redeemed	269,636	-	269,636
Other	41,744	20,261	62,005
Motor vehicle tags and titles	-	641,851	641,851
Boat titles and registrations	-	8,921	8,921
Sales tax	-	737,971	737,971
Hunting and fishing licenses	-	55,836	55,836
Interest	<u>5,259</u>	<u>-</u>	<u>5,259</u>
Total receipts	<u>5,409,771</u>	<u>1,464,840</u>	<u>6,874,611</u>
Disbursements:			
Disbursement of real and personal property taxes	5,053,534	-	5,053,534
State of Florida	-	1,444,219	1,444,219
Proceeds-tax certificates redeemed	265,293	-	265,293
Special assessments	9,733	-	9,733
Other	72,684	21,406	94,090
Interest	<u>5,259</u>	<u>-</u>	<u>5,259</u>
Total disbursements	<u>5,406,503</u>	<u>1,465,625</u>	<u>6,872,128</u>
Excess of receipts over disbursements	3,268	(785)	2,483
Beginning cash balances	<u>64,711</u>	<u>2,592</u>	<u>67,303</u>
Ending cash balances	<u>\$ 67,979</u>	<u>\$ 1,807</u>	<u>\$ 69,786</u>

The accompanying notes are an integral part of this statement.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

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, 1996

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, 1996

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, 1996

NOTE 3 - CASH

Cash Deposits

At September 30, 1996, the carrying amount of the Jefferson County Tax Collector's deposits was \$69,636 and the bank balance was \$194,003. 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 \$128,030. The total payroll for the year ended September 30, 1996 was \$128,030.

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1996

NOTE 4 - EMPLOYEE BENEFITS (Continued)

Pension Plan (Continued)

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 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, 1996, the Jefferson County Tax Collector contributed \$29,341 to the System for covered employees, which represents 22.92% 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 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 1995-96 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, 1996

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, 1996

November 15, 1996

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, 1996, and have issued our report thereon dated November 15, 1996.

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 15, 1996. 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)(f)1.) require that we comment as to whether or not irregularities reported in the preceding annual financial audit report have been corrected. Both irregularities disclosed in the preceding annual financial audit report have been corrected.

The Rules of the Auditor General (Section 10.554 (1)(f)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)(f)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)(f)4.), we determined that the financial information for the Jefferson County, Florida, Tax Collector, for the fiscal year ended September 30, 1996, 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, 1996.

The Rules of the Auditor General (Sections 10.554 (1)(f) 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)(f) 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, Rogan, Schmitt & 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
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 15, 1996

To the Honorable Frances H. Walker
Tax Collector
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 Tax Collector of Jefferson County, Florida as of and for the year ended September 30, 1996, and have issued our report thereon dated November 15, 1996.

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, 1996, 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.

Beth, Rogan, 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
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 15, 1996

To the Honorable Frances H. Walker
Tax Collector
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 Tax Collector of Jefferson County, Florida as of and for the year ended September 30, 1996, and have issued our report thereon dated November 15, 1996.

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 management. 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, 1996

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

November 22, 1996

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, 1996, 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, 1996, 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 22, 1996 on our consideration of the Jefferson County, Florida Sheriff's internal control structure and a report dated November 22, 1996 on its compliance with laws and regulations.

Betts, Rogers, Schenck & Jones

**The County of Jefferson, Florida
Sheriff**

COMBINED BALANCE SHEET

September 30, 1996

	<u>GENERAL FUND</u>	<u>AGENCY FUNDS</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS				
Cash	\$15,100	\$ 17,083	\$ -	\$ 32,183
Transportation equipment	-	-	420,525	420,525
Furniture and other equipment	<u>-</u>	<u>-</u>	<u>477,795</u>	<u>477,795</u>
Total assets	<u>\$15,100</u>	<u>\$17,083</u>	<u>\$898,320</u>	<u>\$930,503</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Deposits held in escrow	\$ -	\$17,083	\$ -	\$ 17,083
Due to other agencies	<u>15,100</u>	<u>-</u>	<u>-</u>	<u>15,100</u>
Total liabilities	15,100	17,083	-	32,183
Fund balances				
Investment in general fixed assets	<u>-</u>	<u>-</u>	<u>898,320</u>	<u>898,320</u>
Total liabilities and fund balances	<u>\$15,100</u>	<u>\$17,083</u>	<u>\$898,320</u>	<u>\$930,503</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, 1996

	<u>INDIVIDUAL DEPOSITORS</u>	<u>APPEARANCE BOND</u>	<u>PRISONERS WELFARE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
ASSETS				
Cash	\$ <u>260</u>	\$ <u>6,880</u>	\$ <u>9,943</u>	\$ <u>17,083</u>
LIABILITIES				
Deposits held in escrow	\$ <u>260</u>	\$ <u>6,880</u>	\$ <u>9,943</u>	\$ <u>17,083</u>
Total liabilities	\$ <u>260</u>	\$ <u>6,880</u>	\$ <u>9,943</u>	\$ <u>17,083</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, 1996

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues			
County appropriation	\$1,502,061	\$1,502,061	\$ -
County appropriation - reserve unit	20,000	20,000	-
Interest earned	<u>-</u>	<u>4,825</u>	<u>4,825</u>
Total revenues	<u>1,522,061</u>	<u>1,526,886</u>	<u>4,825</u>
Expenditures			
Personal services	1,124,267	1,095,686	28,581
Operating expenses	283,510	273,089	10,421
Operating expenses - reserve unit	20,000	19,316	684
Capital Outlay	<u>94,284</u>	<u>132,464</u>	<u>(38,180)</u>
Total expenditures	<u>1,522,061</u>	<u>1,520,555</u>	<u>1,506</u>
 Excess of revenues over expenditures	 <u>\$ -</u>	 6,331	 <u>\$ 6,331</u>
 Fund balances - beginning of year		-	
Less: Amount reverting to Board of County Commissioners		5,647	
Due to other agencies		<u>684</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, 1996

AGENCY FUNDS

	<u>INDIVIDUAL DEPOSITORS</u>	<u>APPEARANCE BOND</u>	<u>PRISONERS WORK RELEASE</u>	<u>PRISONERS WELFARE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
Receipts:					
Deposits received	\$17,187	\$ -	\$ -	\$ 6,851	\$ 24,038
Cash appearance bonds	<u>-</u>	<u>25,622</u>	<u>-</u>	<u>-</u>	<u>25,622</u>
Total receipts	<u>17,187</u>	<u>25,622</u>	<u>-</u>	<u>6,851</u>	<u>49,660</u>
Disbursements:					
Disbursed to:					
Board of County Commissioners	8,870	-	37	-	8,907
Clerk of the Circuit Court	-	15,796	-	-	15,796
Others	<u>8,217</u>	<u>12,556</u>	<u>-</u>	<u>177</u>	<u>20,950</u>
Total disbursements	<u>17,087</u>	<u>28,352</u>	<u>37</u>	<u>177</u>	<u>45,653</u>
Excess of receipts over (under) disbursements	100	(2,730)	(37)	6,674	4,007
Beginning cash balances	<u>160</u>	<u>9,610</u>	<u>37</u>	<u>3,269</u>	<u>13,076</u>
Ending cash balances	<u>\$ 260</u>	<u>\$ 6,880</u>	<u>\$ -</u>	<u>\$ 9,943</u>	<u>\$ 17,083</u>

The accompanying notes are an integral part of this statement.

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS

September 30, 1996

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 Property 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, 1996

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, 1996

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.

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
Sheriff**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1996

NOTE 3 - CASH

Cash Deposits

At September 30, 1996, the carrying amount of the Jefferson County Sheriff's deposits was \$32,183 and the bank balance was \$325,792. 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 \$817,345. The total payroll for the year ended September 30, 1996 was \$824,422.

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

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1996

NOTE 4 - EMPLOYEE BENEFITS (Continued)

Pension Plan (Continued)

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, 1996, the Jefferson County Sheriff contributed \$201,388 to the System for covered employees, which represents 24.64% 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 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 Sheriff's 1995-96 contribution represented less than 1% of the total contribution required by all participating entities.

**The County of Jefferson, Florida
Sheriff**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 1996

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.

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>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance Sept. 30 <u>1996</u>
Transportation equipment	\$396,311	\$169,472	\$145,258	\$420,525
Furniture and other equipment	<u>444,993</u>	<u>32,802</u>	<u>-</u>	<u>477,795</u>
	<u>\$841,304</u>	<u>\$202,274</u>	<u>\$145,258</u>	<u>\$898,320</u>

Anti-Drug Abuse Grant funds used to purchase equipment during the current year were \$38,937 and total purchases from Grant funds through September 30, 1996 were \$107,934.

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

SHERIFF

THE COUNTY OF JEFFERSON, FLORIDA

SEPTEMBER 30, 1996

November 22, 1996

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, 1996, and have issued our report thereon dated November 22, 1996.

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 22, 1996. 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)(f)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)(f)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)(f)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)(f)4.), we determined that the financial information for the Jefferson County, Florida, Sheriff, for the fiscal year ended September 30, 1996, 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, 1996.

The Rules of the Auditor General (Sections 10.554 (1)(f) 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)(f) 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.

Beltt, Roger, Scheu & Jones

November 22, 1996

To the Honorable Kenneth W. Fortune
Sheriff
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 Sheriff of Jefferson County, Florida as of and for the year ended September 30, 1996, and have issued our report thereon dated November 22, 1996.

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, 1996, 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.

Betts, Rojas, Scheel + 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
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 22, 1996

To the Honorable Kenneth W. Fortune
Sheriff
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 Sheriff of Jefferson County, Florida as of and for the year ended September 30, 1996, and have issued our report thereon dated November 22, 1996.

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