

# **Jefferson County, Florida**

## **Financial Statements**

**September 30, 2009**

**Jefferson County, Florida  
FINANCIAL STATEMENTS  
September 30, 2009**

**BOARD OF COUNTY COMMISSIONERS**

**Stephen Fulford - District 1  
Gene Hall - District 2  
Hines Boyd - District 3  
Felix "Skeet" Joyner - District 4  
Danny Monroe, III - District 5**

**CLERK OF THE CIRCUIT COURT  
Kirk Reams**

**SHERIFF  
David Hobbs**

**TAX COLLECTOR  
Lois Howell Hunter**

**PROPERTY APPRAISER  
Angela Gray**

**SUPERVISOR OF ELECTIONS  
Marty Bishop**

**COUNTY ATTORNEY  
T. Buckingham Biard**

**AUDITOR  
Carr, Riggs & Ingram, LLC**



**Jefferson County, Florida**  
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**September 30, 2009**

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**Special-Purpose Financial Statements**

Clerk of the Circuit Court

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector

## INDEPENDENT AUDITORS' REPORT

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and fiduciary fund type of Jefferson County, Florida as of and for the year ended September 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Jefferson County, Florida. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 the 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 respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and fiduciary fund type of Jefferson County, Florida as of September 30, 2009, and the respective changes in financial position and cash flow, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 1, 2010 on our consideration of the Jefferson County, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

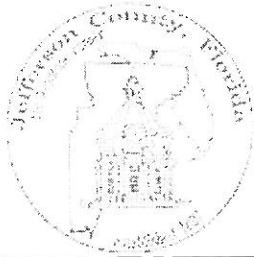
To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

Management's discussion and analysis on page 3.1 to 3.6 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Jefferson County, Florida's basic financial statements. The combining and individual non-major fund financial statements and the combining statement of net assets for fiduciary funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Award Programs and State Financial Assistance Projects is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the Rules of the Auditor General State of Florida and is not a required part of the basic financial statements. The combining and individual non-major fund financial statements and combining statement of net assets for fiduciary funds and the Schedule of Expenditures of Federal Award Programs and State Financial Assistance Projects have been subjected to the audit procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Caru, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
February 1, 2010



# BOARD OF COUNTY COMMISSIONERS JEFFERSON COUNTY, FLORIDA

THE KEYSTONE COUNTY-ESTABLISHED 1827  
1 COURTHOUSE CIRCLE, ROOM 10; MONTICELLO, FLORIDA 32344

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|                                  |                              |                             |                                    |  |
|----------------------------------|------------------------------|-----------------------------|------------------------------------|--|
| Stephen G. Fulford<br>District 1 | Eugene C. Hall<br>District 2 | Hines F. Boyd<br>District 3 | Felix "Skeet" Joyner<br>District 4 | Danny Monroe, III<br>District 5, Chair |
|----------------------------------|------------------------------|-----------------------------|------------------------------------|--|

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Jefferson County's financial performance provides an overview of the County's financial activities for the fiscal year ended September 30, 2009. It should be read in conjunction with the County's financial statements, which begin on page 3.

## FINANCIAL HIGHLIGHTS

- The County's net assets increased as a result of this year's operations. Net assets of our governmental activities increased by \$2,273,761, or 22%. The County does not have any business-type activities.
- During the year, the County generated tax and other revenues of \$2,273,761 more than the \$22.984 million of its governmental program expenses. For comparison, last year revenues exceeded expenses by \$842,913.
- The total cost of the County's programs increased by \$6.784 million over the preceding year (or 41.88%).
- The general fund reported an increase of \$842,758 including net transfers of \$1,356,206 to other funds.
- The resources available for appropriation were \$645,176 higher than budgeted for the general fund.

## USE OF THIS REPORT

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 4 and 5) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. These statements reflect the County as a whole and are deemed government-wide financial statements. The Fund financial statements start on page 6. These statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statement for Fiduciary Funds provides financial information about activities for which the County acts solely as a trustee or agent for the benefit of others outside of the County.



## **Reporting the County as a Whole**

Our analysis of the County as a whole is detailed later in this discussion. One of the most frequently asked questions about the County's finances is "Is the County as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting system used by most private companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and the changes in them. You can think of the County's net assets (the difference between assets and liabilities) as one way to measure the County's financial health, or its financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base, the condition of the County roads and equipment, and other matters to assess the overall health of the County.

Since the County does not have any business-type activities (utilities, etc) and no component units to report, the remaining activities of the County are governmental activities. These include all of the County's basic services, including law enforcement, fire protection, building inspection, ambulance service, parks and recreation, library services, road and bridge maintenance, etc. Property taxes, gasoline taxes, sales tax, and State and Federal grants generally finance most of these activities.

## **Reporting on the County's Most Significant Funds**

The fund financial statements begin on page 6 and provide detailed information about the most significant funds and not the County as a whole. Some funds are required to be established by State law or other governing authority. However, the County Commission may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from State and Federal Agencies). The County has only the general fund, special revenue funds, capital projects fund and debt service fund which are all considered to be governmental funds. There are no proprietary funds maintained by the County.

All of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

## The County as Trustee

The County is the trustee, or *fiduciary*, for several sources of funds that belong to other governments, individuals or agencies. All of the County's fiduciary type activities are reported in separate statements. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## THE COUNTY AS A WHOLE

The County's net assets increased by \$2,273,761 from a year ago. Our analysis is detailed below regarding Table 1, net assets and Table 2, changes in net assets.

|  | <b>Governmental Activities</b> |                         |
|--|--------------------------------|-------------------------|
|  | <b><u>9/30/2009</u></b>        | <b><u>9/30/2008</u></b> |
| Cash and other assets                      | \$ 11,152,535                  | \$ 7,925,676            |
| Capital assets - net                       | <u>8,257,485</u>               | <u>6,695,728</u>        |
| Total assets                               | <u>19,410,020</u>              | <u>14,621,404</u>       |
| Long-term debt outstanding                 | 4,361,739                      | 2,437,769               |
| Other liabilities                          | <u>2,441,333</u>               | <u>147,073</u>          |
| Total liabilities                          | <u>6,803,072</u>               | <u>2,584,842</u>        |
| Net assets:                                |                                |                         |
| Invested in capital assets,<br>net of debt | 5,732,386                      | 4,257,959               |
| Restricted                                 | 2,092,405                      | 5,982,868               |
| Unrestricted                               | <u>4,782,157</u>               | <u>1,795,735</u>        |
| Total net assets                           | <u>\$ 12,606,948</u>           | <u>\$ 12,036,562</u>    |

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by \$2,986,422 (or 166.31%) over the prior year. Restricted net assets decreased by \$3,890,463 (or 65%) from the prior year.

**Table 2**  
**Changes in Net Assets**

|                                   | <b>Governmental Activities</b> |                         |
|-----------------------------------|--------------------------------|-------------------------|
|                                   | <b><u>9/30/2009</u></b>        | <b><u>9/30/2008</u></b> |
| <b>Revenues</b>                   |                                |                         |
| Program revenues:                 |                                |                         |
| Charges for services              | \$ 2,762,512                   | \$ 2,263,448            |
| Federal and state grants          | 9,849,597                      | 3,052,048               |
| General revenues:                 |                                |                         |
| Property and other taxes          | 9,456,432                      | 8,868,170               |
| Intergovernmental revenues        | 275,665                        | 2,749,943               |
| Other general revenues            | <u>2,237,670</u>               | <u>112,655</u>          |
| Total revenues                    | <u>24,581,876</u>              | <u>17,046,264</u>       |
| <b>Program expenses:</b>          |                                |                         |
| General government                | 3,699,730                      | 4,569,598               |
| Transportation                    | 8,560,615                      | 2,064,730               |
| Public safety and judiciary       | 6,902,764                      | 5,446,104               |
| Health and sanitation             | 1,464,546                      | 2,113,269               |
| Economic development              | 1,084,679                      | 1,341,666               |
| Culture and recreation            | 420,825                        | 477,229                 |
| Interest on long-term debt        | <u>174,956</u>                 | <u>190,755</u>          |
| Total program expenses            | <u>22,308,115</u>              | <u>16,203,351</u>       |
| Increase (decrease) in net assets | <u>\$ 2,273,761</u>            | <u>\$ 842,913</u>       |

The County's total revenue increased by 44.2%, or \$7,535,612 during the year while total expenses increased by 37.67%, or \$6,104,764. The increase in total revenues was due primarily to an increase state and federal grants to improve roads.

### **THE COUNTY'S FUNDS**

The County's governmental funds (as presented in the balance sheet on page 6) reported a *combined* fund balance of \$8.711 million, which is an increase of \$932,599 over the prior year. Included in this year's total change in fund balance is an increase of \$842,758 in the County's general fund balance. The general fund had an excess of expenditures over revenues of \$513,448 and net transfers from other funds of \$1,356,206 resulting in the increase in fund balance noted above. In addition, these other changes in fund balances should be noted:

- The fine and forfeiture fund incurred an excess of revenues over expenditures of \$1,105,801 and had transfers to other funds of \$924,917 resulting in an increase in fund balance of \$180,884.
- The sales tax fund had an excess of revenues over expenditures of \$670,290 and transfers to other funds of \$660,304 resulting in a net increase in fund balance of \$9,986.



- The transportation trust fund incurred a deficit of expenditures over revenues of \$550,522 and net other financing sources of \$163,020 resulting in an decrease in fund balance of \$387,502.

### **General Fund Budgetary Highlights**

The County Commission revised the County budget several times throughout the fiscal year. These budget amendments are required to properly reflect unanticipated revenues and unforeseen events that happen during every fiscal year. After considering these amendments, the general fund actual revenues exceeded the final budget by \$645,176.

Operating expenditures were less than appropriations primarily in the areas of the general County operations, Property Appraiser's office, Tax Collector's office, Clerk's office and the Supervisor of Elections' office.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

The County had \$8.257 million, net of depreciation, invested in a broad range of capital assets, including land, buildings, roads, bridges, park facilities and equipment. This represents a net decrease (including additions and deletions) of \$1,377,277 over last year. Table 3 below details the composition of these assets.

**Table 3  
Capital Assets at Year-end  
(Net of Depreciation)**

|                          | <b>Governmental Activities</b> |                         |
|--------------------------|--------------------------------|-------------------------|
|                          | <b><u>9/30/2009</u></b>        | <b><u>9/30/2008</u></b> |
| Land                     | \$ 1,317,467                   | \$ 837,327              |
| Buildings & Improvements | 5,354,575                      | 4,449,888               |
| Equipment                | 1,585,443                      | 1,408,513               |

Major additions for the year were land (Head of the Wacissa River), the Emergency Operations Center building, the Horse Arena and heavy equipment. Infrastructure includes all the County roads and bridges which are fully depreciated. Major deletions were disposition of land, buildings and equipment.

#### **Debt**

The County had various installment purchase obligations of \$270,099 and Revenue Bonds of \$2,255,000 outstanding at the end of the 2009 fiscal year, an increase of \$87,330, as shown in Table 4.

## Debt (Continued)

**Table 4**  
**Outstanding Debt at Year-end**

|                         | <b>Governmental Activities</b> |                     |
|-------------------------|--------------------------------|---------------------|
|                         | <b>9/30/2009</b>               | <b>9/30/2008</b>    |
| Installment obligations | \$ 270,099                     | \$ 26,769           |
| Revenue bond            | <u>2,255,000</u>               | <u>2,411,000</u>    |
| Totals                  | <u>\$ 2,525,099</u>            | <u>\$ 2,437,769</u> |

Items of equipment have been bought in the current year and prior years under various installment equipment obligations bearing interest at 5.5% to 13.00% per annum. These obligations require monthly and annual installments of varying amounts through June 1, 2014. The Revenue Bond is dated October 20, 1999 and bears interest at 4.5%. Interest and principal are payable annually each September 1<sup>st</sup> starting in 2001 through September 1, 2020.

The Bond and the interest thereon are payable solely from and secured by a lien upon and a pledge of (i) the amount of the local government half-cent sales tax distributed by the State to the County, and (ii) the amount of pari-mutual tax revenues distributed to the County.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County's elected Commissioners consider many factors when setting the fiscal year 2010 budget to include assessed values, tax rates and charges for services. One of those factors is the economy. Jefferson County is not a fast growing County compared to other metropolitan areas of the State, however, the County does continue to enjoy growth in its population and offers its citizens a relaxed form of lifestyle when compared to other, more populous surrounding areas.

It is expected that the assessed value of property within the County will be decreased for 2010; however the millage rate will probably remain the same. The assessments for fire and landfill will probably be adjusted for some increase which will produce more revenue to offset increased costs in these areas. The decrease in assessed value of property will generate less in ad valorem taxes for the 2010 budget year.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Clerk of the Circuit Court, County Courthouse, Room 10, Monticello, Florida 32344.

## **Basic Financial Statements**

**Jefferson County, Florida**  
**Statement of Net Assets**

*September 30, 2009*

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>Assets</b>                                   |                                    |
| Cash and cash equivalents                       | \$ 6,838,926                       |
| Restricted cash and cash equivalents            | 925,076                            |
| Accounts receivable                             | 810,238                            |
| Due from other governmental units               | 2,457,545                          |
| Inventory                                       | 120,750                            |
| Capital assets, net                             |                                    |
| Nondepreciable capital assets                   | 1,317,467                          |
| Depreciable capital assets, net                 | 6,940,018                          |
| <b>Total assets</b>                             | <b>19,410,020</b>                  |
| <b>Liabilities</b>                              |                                    |
| Accounts payable and accrued expenses           | 2,357,378                          |
| Due to other agency                             | 4,841                              |
| Due to other governmental units                 | 14,965                             |
| Deferred revenue                                | 64,149                             |
| Long-term liabilities                           |                                    |
| Portion due or payable within one year          |                                    |
| Capital lease obligations                       | 68,693                             |
| Public improvement revenue bonds payable        | 163,000                            |
| Landfill closure and post-closure costs         | 113,767                            |
| Portion due or payable after one year           |                                    |
| Capital lease obligations                       | 201,406                            |
| Public improvement revenue bonds payable        | 2,092,000                          |
| Compensated absences                            | 357,671                            |
| Landfill closure and post-closure costs         | 1,365,202                          |
| <b>Total liabilities</b>                        | <b>6,803,072</b>                   |
| <b>Net assets</b>                               |                                    |
| Invested in capital assets, net of related debt | 5,732,386                          |
| Restricted for                                  |                                    |
| Tourist development                             | 55,414                             |
| Impact fees                                     | 72,811                             |
| Landfill escrow                                 | 127,598                            |
| Law enforcement                                 | 1,539,800                          |
| Inventories                                     | 113,988                            |
| Debt service                                    | 182,794                            |
| Unrestricted                                    | 4,782,157                          |
| <b>Total net assets</b>                         | <b>\$ 12,606,948</b>               |

See accompanying notes to financial statements.

# Jefferson County, Florida

## Statement of Activities

For the year ended September 30, 2009

| Functions/Programs                                 | Net (Expense) Revenue and Changes in Net Assets |                                    |                                  |                         |                       |
|--|---|------------------------------------|----------------------------------|-------------------------|-----------------------|
|  | Program Revenues                                |                                    |                                  | Primary Government      |                       |
|  | Charges for Services                            | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Total                 |
| <b>Primary government</b>                          |   |                                    |                                  |                         |                       |
| <b>Governmental activities</b>                     |   |                                    |                                  |                         |                       |
| General government                                 | \$ 3,114,644                                    | \$ 400,513                         | \$ 47,591                        | \$ (2,666,540)          | \$ (2,666,540)        |
| Public safety                                      | 5,435,662                                       | 2,284,169                          | 807,094                          | (1,681,635)             | (1,681,635)           |
| Fire safety  | 679,582   | -                                  | -                                | (679,582)               | (679,582)             |
| Physical environment                               | 166,185   | -                                  | -                                | (166,185)               | (166,185)             |
| Health and sanitation                              | 1,464,546                                       | 77,830                             | 371,413                          | (1,015,303)             | (1,015,303)           |
| Transportation                                     | 8,560,615                                       | -                                  | 6,696,181                        | (1,864,434)             | (1,864,434)           |
| Economic development                               | 1,084,679                                       | -                                  | 1,009,015                        | (75,664)                | (75,664)              |
| Human services                                     | 330,099   | -                                  | -                                | (330,099)               | (330,099)             |
| Culture and recreation                             | 420,825   | -                                  | 114,885                          | 92,037                  | 92,037                |
| Agriculture  | 254,987   | -                                  | -                                | (254,987)               | (254,987)             |
| Court related                                      | 621,335   | -                                  | 18,342                           | (602,993)               | (602,993)             |
| Interest on long-term debt                         | 174,956   | -                                  | -                                | (174,956)               | (174,956)             |
| <b>Total primary government</b>                    | <b>\$ 22,308,115</b>                            | <b>\$ 2,762,512</b>                | <b>\$ 9,064,521</b>              | <b>\$ (9,420,341)</b>   | <b>\$ (9,420,341)</b> |
| <b>General revenues</b>                            |   |                                    |                                  |                         |                       |
| Taxes  |   |                                    |                                  |                         |                       |
| Property taxes                                     |   |                                    |                                  | 4,839,736               | 4,839,736             |
| Local option taxes                                 |   |                                    |                                  | 807,992                 | 807,992               |
| Sales tax, other taxes and shared revenue          |   |                                    |                                  | 3,808,704               | 3,808,704             |
| Investment earnings                                |   |                                    |                                  | 52,020                  | 52,020                |
| Miscellaneous                                      |   |                                    |                                  | 2,185,650               | 2,185,650             |
| <b>Total general revenues</b>                      |   |                                    |                                  | <b>11,694,102</b>       | <b>11,694,102</b>     |
| <b>Change in net assets</b>                        |   |                                    |                                  | <b>2,273,761</b>        | <b>2,273,761</b>      |
| <b>Net assets, beginning, as previously stated</b> |   |                                    |                                  | <b>10,475,057</b>       | <b>10,475,057</b>     |
| <b>Prior period adjustment (see Note 17)</b>       |   |                                    |                                  | <b>(141,870)</b>        | <b>(141,870)</b>      |
| <b>Net assets, beginning, as restated</b>          |   |                                    |                                  | <b>10,333,187</b>       | <b>10,333,187</b>     |
| <b>Net assets, ending</b>                          |   |                                    |                                  | <b>\$ 12,606,948</b>    | <b>\$ 12,606,948</b>  |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Balance Sheet**  
**Governmental Funds**

*September 30, 2009*

|  | General<br>Fund     | County<br>Transportation<br>Trust Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--|--------------------------------|--------------------------------|
| <b>Assets</b>                              |                     |  |                                |                                |
| Cash and cash equivalents                  | \$ 5,649,487        | \$ 242,536                             | \$ 946,903                     | \$ 6,838,926                   |
| Restricted cash and cash equivalents       | 255,823             | -                                      | 669,253                        | 925,076                        |
| Accounts receivable                        | 810,051             | -                                      | 186                            | 810,237                        |
| Due from other funds                       | -                   | -                                      | 5,950,445                      | 5,950,445                      |
| Due from other governmental units          | 508,660             | 1,721,720                              | 227,166                        | 2,457,546                      |
| Loan to other fund                         | 154,838             | -                                      | -                              | 154,838                        |
| Inventory                                  | -                   | 120,750                                | -                              | 120,750                        |
| <b>Total assets</b>                        | <b>\$ 7,378,859</b> | <b>\$ 2,085,006</b>                    | <b>\$ 7,793,953</b>            | <b>\$ 17,257,818</b>           |
| <b>Liabilities</b>                         |                     |  |                                |                                |
| Accounts payable and accrued expenses      | \$ 380,653          | \$ 1,756,385                           | \$ 220,340                     | \$ 2,357,378                   |
| Due to other funds                         | 5,454,822           | 214,633                                | 280,990                        | 5,950,445                      |
| Due to other governmental units            | 14,965              | -                                      | -                              | 14,965                         |
| Due to other agency                        | 4,841               | -                                      | -                              | 4,841                          |
| Loan from other fund                       | -                   | -                                      | 154,838                        | 154,838                        |
| Deferred revenue                           | 3,835               | -                                      | 60,314                         | 64,149                         |
| <b>Total liabilities</b>                   | <b>5,859,116</b>    | <b>1,971,018</b>                       | <b>716,482</b>                 | <b>8,546,616</b>               |
| <b>Fund balances</b>                       |                     |  |                                |                                |
| Reserved for:                              |                     |  |                                |                                |
| Tourist development                        | 55,414              | -                                      | -                              | 55,414                         |
| Impact fees                                | 72,811              | -                                      | -                              | 72,811                         |
| Landfill escrow                            | 127,598             | -                                      | -                              | 127,598                        |
| Law enforcement                            | -                   | -                                      | 1,539,800                      | 1,539,800                      |
| Inventories                                | -                   | 113,988                                | -                              | 113,988                        |
| Debt service                               | -                   | -                                      | 182,794                        | 182,794                        |
| Unreserved, reported in:                   |                     |  |                                |                                |
| General fund                               | 1,263,920           | -                                      | -                              | 1,263,920                      |
| Special revenue funds                      | -                   | -                                      | 5,354,877                      | 5,354,877                      |
| <b>Total fund balances</b>                 | <b>1,519,743</b>    | <b>113,988</b>                         | <b>7,077,471</b>               | <b>8,711,202</b>               |
| <b>Total liabilities and fund balances</b> | <b>\$ 7,378,859</b> | <b>\$ 2,085,006</b>                    | <b>\$ 7,793,953</b>            | <b>\$ 17,257,818</b>           |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Reconciliation of the Balance Sheet of Governmental**  
**Funds to the Statement of Net Assets**

September 30, 2009

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Amounts reported for governmental activities in the  
statement of net assets are different because:

|  |              |
|--|--------------|
| Total fund balances – governmental funds | \$ 8,711,202 |
|--|--------------|

|  |           |
|--|-----------|
| Capital assets used in governmental activities are not financial resources,<br>and, therefore, are not reported in the governmental funds. | 8,257,485 |
|--|-----------|

|   |             |
|---|-------------|
| Long-term liabilities are not due and payable in the<br>current period, and, therefore, are not reported in the governmental funds. | (4,361,739) |
|---|-------------|

|  |                      |
|--|----------------------|
| <u>Net assets of governmental activities</u> | <u>\$ 12,606,948</u> |
|--|----------------------|

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**

*For the year ended September 30, 2009*

|  | General<br>Fund     | County<br>Transportation<br>Trust Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                     |  |                                |                                |
| Taxes  | \$ 3,952,205        | \$ 1,573,887                           | \$ 1,841,470                   | \$ 7,367,562                   |
| Licenses and permits   | 185,167             | -                                      | -                              | 185,167                        |
| Intergovernmental  | 3,845,432           | 6,162,997                              | 2,205,703                      | 12,214,132                     |
| Charges for services   | 2,376,810           | -                                      | 11,817                         | 2,388,627                      |
| Fines and forfeitures  | -                   | -                                      | 188,718                        | 188,718                        |
| Investment earnings  | 34,694              | 5,927                                  | 11,399                         | 52,020                         |
| Other fees and miscellaneous revenues                            | 96,627              | 200                                    | 2,149,447                      | 2,246,274                      |
| <b>Total revenues</b>  | <b>10,490,935</b>   | <b>7,743,011</b>                       | <b>6,408,554</b>               | <b>24,642,500</b>              |
| <b>Expenditures</b>  |                     |  |                                |                                |
| Current:   |                     |  |                                |                                |
| General government   | 2,638,277           | -                                      | -                              | 2,638,277                      |
| Public health and safety   | 4,946,702           | -                                      | 184,793                        | 5,131,495                      |
| Fire safety  | -                   | -                                      | 656,163                        | 656,163                        |
| Physical environment   | 46,943              | -                                      | -                              | 46,943                         |
| Health and sanitation  | -                   | -                                      | 1,547,082                      | 1,547,082                      |
| Transportation   | -                   | 7,847,448                              | 587,035                        | 8,434,483                      |
| Economic development   | 18,646              | -                                      | 1,066,033                      | 1,084,679                      |
| Human services   | 330,099             | -                                      | -                              | 330,099                        |
| Culture and recreation   | 411,465             | -                                      | -                              | 411,465                        |
| Agriculture  | 244,721             | -                                      | -                              | 244,721                        |
| Court related  | 621,335             | -                                      | -                              | 621,335                        |
| Capital outlay   | 1,746,195           | 425,382                                | 63,956                         | 2,235,533                      |
| Debt service   | -                   | 18,310                                 | 409,005                        | 427,315                        |
| Principal  | -                   | 2,393                                  | 172,563                        | 174,956                        |
| Interest and other charges                                       | -                   | -                                      | -                              | -                              |
| <b>Total expenditures</b>  | <b>11,004,383</b>   | <b>8,293,533</b>                       | <b>4,686,630</b>               | <b>23,984,546</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(513,448)</b>    | <b>(550,522)</b>                       | <b>1,721,924</b>               | <b>657,954</b>                 |
| <b>Other financing sources (uses)</b>                            |                     |  |                                |                                |
| Transfers in   | 3,836,823           | -                                      | 2,480,617                      | 6,317,440                      |
| Transfers out  | (2,480,617)         | (111,625)                              | (3,725,198)                    | (6,317,440)                    |
| Capital lease obligations proceeds                               | -                   | 274,645                                | -                              | 274,645                        |
| <b>Net other financing sources (uses)</b>                        | <b>1,356,206</b>    | <b>163,020</b>                         | <b>(1,244,581)</b>             | <b>274,645</b>                 |
| <b>Net changes in fund balances</b>                              | <b>842,758</b>      | <b>(387,502)</b>                       | <b>477,343</b>                 | <b>932,599</b>                 |
| <b>Fund balances - beginning</b>                                 | <b>676,985</b>      | <b>501,490</b>                         | <b>6,600,128</b>               | <b>7,778,603</b>               |
| <b>Fund balances - ending</b>                                    | <b>\$ 1,519,743</b> | <b>\$ 113,988</b>                      | <b>\$ 7,077,471</b>            | <b>\$ 8,711,202</b>            |

See accompanying notes to financial statements.



**Jefferson County, Florida**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities**

*For the year ended September 30, 2009*

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Amounts reported for governmental activities in the statement of activities are different because:

|   |              |
|---|--------------|
| Net change in fund balances - total governmental funds  | \$ 932,599   |
| Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of activities.   | 2,235,533    |
| Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.   | (797,632)    |
| The revenue from sale transaction involving capital asset provides current financial resources to governmental funds, while it has no effect on the statement of activities.                                | (60,624)     |
| Repayment of long-term debt is reported as an expenditure in governmental funds but as a reduction of long-term liabilities in the statement of net assets.   | 187,315      |
| The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement of activities.   | (274,645)    |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include: |              |
| Long-term landfill closure and post-closure liability   | 82,536       |
| Compensated absences  | (31,321)     |
| Change in net assets of governmental activities   | \$ 2,273,761 |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**General Fund**  
**Budget and Actual**

*For the year ended September 30, 2009*

|   | Original<br>Budget | Final<br>Budget   | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|--------------------|-------------------|---|---|
| <b>Revenues</b>   |                    |                   |   |   |
| Taxes   | \$ 3,949,085       | \$ 3,949,085      | \$ 3,952,205                              | \$ 3,120  |
| Licenses and permits                                      | 289,500            | 289,500           | 185,167                                   | (104,333)   |
| Intergovernmental   | 3,227,310          | 3,516,700         | 3,845,432                                 | 328,732   |
| Charges for services                                      | 1,414,943          | 2,014,943         | 2,370,339                                 | 355,396   |
| Investment earnings                                       | 25,000             | 25,000            | 34,610                                    | 9,610   |
| Other fees and miscellaneous revenues                     | 34,000             | 34,000            | 86,651                                    | 52,651  |
| <b>Total revenues</b>                                     | <b>8,939,838</b>   | <b>9,829,228</b>  | <b>10,474,404</b>                         | <b>645,176</b>  |
| <b>Expenditures</b>                                       |                    |                   |   |   |
| Current:  |                    |                   |   |   |
| General government  | 3,600,864          | 3,601,803         | 2,631,722                                 | 970,081   |
| Public health and safety                                  | 4,361,518          | 4,429,056         | 4,936,726                                 | (507,670)   |
| Physical environment                                      | 54,600             | 54,600            | 46,943                                    | 7,657   |
| Economic environment                                      | -                  | 12,800            | 18,646                                    | (5,846)   |
| Human services  | 269,197            | 268,697           | 330,099                                   | (61,402)  |
| Culture and recreation                                    | 268,703            | 271,967           | 411,465                                   | (139,498)   |
| Agriculture   | 270,576            | 251,236           | 244,721                                   | 6,515   |
| Court related   | 819,823            | 819,823           | 621,335                                   | 198,488   |
| Capital outlay  | 1,057,320          | 1,074,847         | 1,746,195                                 | (671,348)   |
| Reserve for contingencies                                 | 100,000            | 174,058           | -   | 174,058   |
| <b>Total expenditures</b>                                 | <b>10,802,601</b>  | <b>10,958,887</b> | <b>10,987,852</b>                         | <b>(28,965)</b>   |
| Excess (deficiency) of revenues over (under) expenditures | (1,862,763)        | (1,129,659)       | (513,448)                                 | 616,211   |
| <b>Other financing sources (uses)</b>                     |                    |                   |   |   |
| Transfers in  | 3,836,929          | 3,836,929         | 3,836,823                                 | (106)   |
| Transfers out   | (2,404,564)        | (2,851,392)       | (2,480,617)                               | 370,775   |
| <b>Net other financing sources (uses)</b>                 | <b>1,432,365</b>   | <b>985,537</b>    | <b>1,356,206</b>                          | <b>370,669</b>  |
| <b>Net change in fund balance</b>                         | <b>(430,398)</b>   | <b>(144,122)</b>  | <b>842,758</b>                            | <b>986,880</b>  |
| <b>Fund balance - beginning</b>                           | <b>676,985</b>     | <b>676,985</b>    | <b>676,985</b>                            | <b>-</b>  |
| <b>Fund balance - ending</b>                              | <b>\$ 246,587</b>  | <b>\$ 532,863</b> | <b>\$ 1,519,743</b>                       | <b>\$ 986,880</b>   |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**County Transportation Trust Fund**  
**Budget and Actual**

*For the year ended September 30, 2009*

|   | Original<br>Budget | Final<br>Budget   | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|--------------------|-------------------|-------------------|---|
| <b>Revenues</b>   |                    |                   |                   |   |
| Taxes   | \$ 2,023,278       | \$ 2,023,278      | \$ 1,573,887      | \$ (449,391)  |
| Intergovernmental   | 7,355,880          | 7,355,880         | 6,162,997         | (1,192,883)   |
| Investment earnings                                       | -                  | -                 | 5,927             | 5,927   |
| Other fees and miscellaneous revenues                     | -                  | -                 | 200               | 200   |
| <b>Total revenues</b>                                     | <b>9,379,158</b>   | <b>9,379,158</b>  | <b>7,743,011</b>  | <b>(1,636,147)</b>  |
| <b>Expenditures</b>                                       |                    |                   |                   |   |
| Current:  |                    |                   |                   |   |
| Transportation  | 9,174,041          | 8,721,041         | 7,847,448         | 873,593   |
| Capital outlay  | -                  | 430,000           | 425,382           | 4,618   |
| Debt service  |                    |                   |                   |   |
| Principal   | -                  | 20,000            | 18,310            | 1,690   |
| Interest and other charges                                | -                  | 3,000             | 2,393             | 607   |
| <b>Total expenditures</b>                                 | <b>9,174,041</b>   | <b>9,174,041</b>  | <b>8,293,533</b>  | <b>880,508</b>  |
| Excess (deficiency) of revenues over (under) expenditures | 205,117            | 205,117           | (550,522)         | (755,639)   |
| <b>Other financing sources (uses)</b>                     |                    |                   |                   |   |
| Transfers out   | (111,625)          | (111,625)         | (111,625)         | -   |
| Capital lease obligations proceeds                        | -                  | -                 | 274,645           | 274,645   |
| <b>Net other financing sources (uses)</b>                 | <b>(111,625)</b>   | <b>(111,625)</b>  | <b>163,020</b>    | <b>274,645</b>  |
| <b>Net change in fund balance</b>                         | <b>93,492</b>      | <b>93,492</b>     | <b>(387,502)</b>  | <b>(480,994)</b>  |
| <b>Fund balance - beginning</b>                           | <b>501,490</b>     | <b>501,490</b>    | <b>501,490</b>    | <b>-</b>  |
| <b>Fund balance - ending</b>                              | <b>\$ 594,982</b>  | <b>\$ 594,982</b> | <b>\$ 113,988</b> | <b>\$ (480,994)</b>   |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Statement of Fiduciary Net Assets**  
**Agency Funds**

*September 30, 2009*

|                           | <b>Agency<br/>Funds</b> |
|---------------------------|-------------------------|
| <b>Assets</b>             |                         |
| Cash and cash equivalents | \$ 1,646,743            |
| <b>Total assets</b>       | <b>\$ 1,646,743</b>     |
| <b>Liabilities</b>        |                         |
| Due to other governments  | \$ 1,027,130            |
| Due to others             | 619,613                 |
| <b>Total liabilities</b>  | <b>\$ 1,646,743</b>     |

See accompanying notes to financial statements.

## Jefferson County, Florida

### Notes to Financial Statements

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#### NOTE 1 - 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. These Constitutional Officers maintain separate accounting records and budgets from the Board of County Commissioners. The Constitution of the State of Florida, Article VIII, Section 1(d) created the constitutional officers and Article VII, Section 1(e), created the Board of County Commissioners.

The financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units along with the American Institute of Certified Public Accountants publication entitled *Audits of State and Local Governmental Units*, and pronouncements of the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the County are described below.

#### Reporting Entity

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County), (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.

The County may be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board. Based on these criteria, County management examined all organizations which are legally separate in order to determine which organizations, if any, should be included in the County's financial statements. Management determined that 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.

## Jefferson County, Florida

### Notes to Financial Statements

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Basis of Presentation**

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the activities of the County. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Fiduciary funds are not included in these financial statements.

##### **Fund Financial Statements**

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. Reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations. The County has presented the following major governmental funds:

**General Fund-** General Fund is the main operating fund of the County. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**County Transportation Trust Fund-** County Transportation Trust Fund is a special revenue fund used to account for the gasoline and fuel taxes that are restricted for specific purposes.

The County also reports the following fund type:

**Agency Funds** - The agency funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

## Jefferson County, Florida

### Notes to Financial Statements

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for recognition of all Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is made.

The revenues susceptible to accrual are licenses, charges for services, intergovernmental revenues and interest income. Gasoline and Sales taxes collected and held by the state at year end on behalf of the County are also recognized as revenue. All other governmental fund revenues are recognized when received.

##### **Budgets and Budgetary Accounting**

Florida Statutes establishes the fiscal year as the twelve-month period beginning October 1. The various departments of the County and the Constitutional Officers submit to the Clerk of the Circuit Court a budget of estimated expenditures for the ensuing fiscal year after which the Clerk subsequently submits a budget of estimated expenditures and revenues to the Board of County Commissioners.

Upon receipt of the budget estimates, the Board of County Commissioners holds public hearings on the proposed budget. Information about the proposed budget is then published in the Monticello News. The budget is legally enacted through passage of a Resolution by the Board of County Commissioners. The Board of County Commissioners is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be due to unanticipated revenues and be approved by the Board of County Commissioners and an amendment to the originally adopted budget. Budgeted amounts are as originally adopted or as amended by the Board of County Commissioners. Individual amendments were not material in relation to the original appropriations, which were adopted other than those for unanticipated revenues.

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, sales taxes and special assessments.



**Jefferson County, Florida**  
**Notes to Financial Statements**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The budgetary information presented for the general fund and any major special revenue funds is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be reappropriated in the subsequent year.

Property Appraiser - The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund are presented on a budgetary basis for budgetary accounting purposes. The Property Appraiser only budgeted revenue and expenditures appropriated by the Board of County Commissioners. Adjustments to convert the results of operation of the general fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

| <b>Property Appraiser</b>  | <b>Total<br/>Expenditures</b> | <b>Total<br/>Revenue</b> |
|--|-------------------------------|--------------------------|
| GAAP basis   | \$ 460,482                    | \$ 460,482               |
| Non-budgeted revenues and expenditures:  |                               |                          |
| Revenues other than appropriations from the<br>Board of County Commissioners and<br>related expenditures | (10,707)                      | (10,707)                 |
| Budgetary basis  | \$ 449,775                    | \$ 449,775               |

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Short-term investments also include amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

Cash of some funds is pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity during the year. An individual fund's pooled cash and cash investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

**Investments**

The County follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, in reporting on investments owned. Generally, this statement requires various investments be reported at fair value, including debt securities and open-ended mutual funds.



**Jefferson County, Florida**  
**Notes to Financial Statements**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfund Balances**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". All residual balances outstanding were related to governmental activities and are not reported in the government-wide financial statements.

**Restricted Assets**

Certain net assets of the County are classified as restricted assets on the statement of net assets because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net assets and then from unrestricted net assets.

**Capital Assets**

The County's capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, right of ways, sidewalks, and similar items), are reported in the capital asset accounts of the County. Property and equipment with initial, individual costs that exceed \$1,000 and an estimated useful life in excess of one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred. Capital assets purchased by the Clerk of Circuit Court, Property Appraiser, Supervisor of Elections, and Tax Collector are accounted for within the Board of County Commissioner's capital assets. The Sheriff is accountable for and thus maintains capital asset records pertaining only to equipment used in his operations. These assets have been combined with the Board's governmental activities capital assets in the statement of net assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>                  | <u>Years</u> |
|--------------------------------|--------------|
| Buildings and improvements     | 10-40        |
| Machinery and equipment        | 3-10         |
| Road and bridge infrastructure | 20-40        |

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

**Due to Others**

This account is used to account for assets held by the County in a trustee capacity for other governmental agencies or individuals.

**Deferred Revenues**

Deferred revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

## Jefferson County, Florida

### Notes to Financial Statements

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Accumulated Compensated Absences**

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

The long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

##### **Long-Term Debt**

In the government-wide financial statements, outstanding debts are reported as liabilities.

The governmental fund financial statements recognize the proceeds of debt as other financial sources of the current period. Issuance costs are reported as expenditures.

##### **Reserves and Designations of Fund Equity**

Reserves indicate that portion of fund balance or net assets that are not available for appropriation or which are legally segregated for a specific future use. The description of each reserve indicates the purpose for which each was intended. Designated portions of fund equity represent management's tentative future spending plans. Such designations should be clearly distinguished from reserves, since managerial plans are subject to change and may never be legally authorized or result in actual expenditures.

##### **Encumbrances**

Encumbrances represent commitments in the form of purchase orders which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. The County does not record encumbrances outstanding at year end.

##### **Management Estimates and Assumptions**

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### **Subsequent Events**

The County has evaluated subsequent events through the date of issuance of these financial statements.

## **Jefferson County, Florida**

### **Notes to Financial Statements**

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#### **NOTE 2 - PROPERTY TAXES**

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 Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2009 millage rate assessed by the County was 8.3226 mills.

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millage into the total tax levy, which includes the various municipalities, the county school board, and other taxing authorities.

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

All taxes become 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. 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. Unsold tax certificates are held by the County.

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.

#### **NOTE 3 - DEPOSITS AND INVESTMENTS**

At year end, the carrying amount of the County's deposits was \$9,410,745 and the bank balance was \$9,433,447. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

## **Jefferson County, Florida**

### **Notes to Financial Statements**

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#### **NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Florida Statutes authorize the County to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the County to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2009, the market value and the carrying value of these funds was \$573,612. The funds are carried as a cash equivalent on the balance sheet at September 30, 2009 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note.

The County's investments in the Local Government Surplus Funds Trust Fund (Florida PRIME), which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2009, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

The State Board of Administration's interpretation in regards to the County's investments in Fund B is that it does not meet the requirement of a SEC 2a-7-like fund; therefore, State Board of Administration is providing a Fair Value factor (i.e. total net asset value of Fund B divided by total participant balances of Fund B) for September 30, 2009. The Fair Value factor for Fund B for September 30, 2009, is .54915069.

As of September 30, 2009, the County had \$553,054 and \$20,558 invested in Florida PRIME and B, respectively. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at [www.sbafla.com/prime](http://www.sbafla.com/prime).

#### **Credit Risk**

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the County investments are not evidenced by specific, identifiable investment securities.

As of September 30, 2009, the County's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAM. The Fund B Surplus Funds Trust Fund is not rated by any nationally recognized statistical rating agency.

#### **Interest Rate Risk**

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2009, is 33 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (based on expected future cash flows) of Fund B at September 30, 2009, is estimated at 6.69 years. However, because Fund B consists of restructured or defaulted securities, there is considerable uncertainty regarding the weighted average life.

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

At September 30, 2009, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

**Concentration of Credit Risk**

At September 30, 2009, the County did not hold any investments that were considered to have a concentration of credit risk.

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable are ambulance receivables and are accounted for in the County's General Fund and 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, 2009, and no further allowance is considered necessary. Bad debt expense for the year was \$487,076.

**NOTE 5 - 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 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.

**Jefferson County, Florida**  
**Notes to Financial Statements**

**NOTE 6 - INTERFUND TRANSACTIONS AND BALANCES**

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Operating transfers during the year ended September 30, 2009 were as follows:

| Fund                              | TRANSFER<br>IN | TRANSFER<br>OUT | PURPOSE |
|-----------------------------------|----------------|-----------------|---------|
| General fund:                     |                |                 |         |
| County Transportation Trust Fund  | \$ 111,625     | \$ -            | (1)     |
| Nonmajor funds                    | 3,725,198      | 2,480,617       | (1) (2) |
| Total General Fund                | 3,836,823      | 2,480,617       |         |
| County Transportation Trust Fund: |                |                 |         |
| General Fund                      | -              | 111,625         | (1)     |
| Nonmajor governmental funds:      |                |                 |         |
| General Fund                      | -              | 3,725,198       | (1)     |
| Nonmajor funds                    | 2,480,617      | -               | (1) (2) |
| Total Nonmajor funds              | 2,480,617      | 3,725,198       |         |
| Total                             | \$ 6,317,440   | \$ 6,317,440    |         |

The purpose of all transfers is indicated by corresponding number below:

- (1) To cover budget deficit expected in original or amended budget.
- (2) To fund debt service

The purpose of individual fund interfund receivable and payable balances at September 30, 2009 was for pooling of cash balances and loans to other funds. None of the balances are expected to be repaid within the next year.

**Jefferson County, Florida**  
**Notes to Financial Statements**

**NOTE 6 - INTERFUND TRANSACTIONS AND BALANCES (CONTINUED)**

Interfund transfers for the year ended September 30, 2009, consisted of the following:

|                                  | INTERFUND<br>RECEIVABLES | INTERFUND<br>PAYABLE |
|----------------------------------|--------------------------|----------------------|
| General fund                     | \$ -                     | \$ 5,454,822         |
| County Transportation Trust Fund | -                        | 214,633              |
| Nonmajor governmental funds      |                          |                      |
| Fine and Forfeiture Fund         | 1,112,426                | -                    |
| Grants Fund                      | 400,062                  | -                    |
| SHIP Trust Fund                  | 1,448                    | -                    |
| Capital Projects Fund            | 99,891                   | -                    |
| Fire Assessment Fund             | 718,056                  | -                    |
| Sales Tax Fund                   | 1,363,398                | -                    |
| Landfill Fund                    | 1,223,551                | -                    |
| E-911 Fund                       | 1,031,613                | -                    |
| FEMA Fund                        | -                        | 217,509              |
| Debt Service Fund                | -                        | 63,481               |
| <b>Total</b>                     | <b>\$ 5,950,445</b>      | <b>\$ 5,950,445</b>  |

**NOTE 7 - DUE FROM OTHER GOVERNMENTS**

Due from other governments consists of funds earned as of September 30, 2009, but not yet received by the County. The majority of these amounts were received in October and November 2009.



**Jefferson County, Florida**  
**Notes to Financial Statements**

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2009, was as follows:

|   | BEGINNING<br>BALANCE, AS<br>RESTATED | INCREASES    | DECREASES | ENDING<br>BALANCE |
|---|--------------------------------------|--------------|-----------|-------------------|
| <b>Governmental activities:</b>                 |                                      |              |           |                   |
| Capital assets, not being<br>depreciated:       |                                      |              |           |                   |
| Land and improvements                           | \$ 837,327                           | \$ 540,764   | \$ 60,624 | \$ 1,317,467      |
| Total capital assets, not<br>being depreciated  | 837,327                              | 540,764      | 60,624    | 1,317,467         |
| Capital assets, being<br>depreciated:           |                                      |              |           |                   |
| Buildings and improvements                      | 6,843,702                            | 1,079,856    | -         | 7,923,558         |
| Equipment                                       | 6,721,764                            | 521,040      | 11,200    | 7,231,604         |
| Equipment, Sheriff                              | 1,666,064                            | 93,873       | -         | 1,759,937         |
| Roads   | 26,040,640                           | -            | -         | 26,040,640        |
| Total capital assets,<br>being depreciated      | 41,272,170                           | 1,694,769    | 11,200    | 42,955,739        |
| Less: Total accumulated<br>depreciation         | 35,229,289                           | 797,632      | 11,200    | 36,015,721        |
| Total capital assets,<br>being depreciated, net | 6,042,881                            | 897,137      | -         | 6,940,018         |
| Governmental activities<br>capital assets, net  | \$ 6,880,208                         | \$ 1,437,901 | \$ 60,624 | \$ 8,257,485      |

Depreciation expense was charged to functions as follows:

|  |            |
|--|------------|
| <b>Governmental activities</b>                     |            |
| General government                                 | \$ 230,104 |
| Public safety                                      | 289,141    |
| Fire safety  | 23,419     |
| Physical environment                               | 115,978    |
| Transportation                                     | 121,705    |
| Culture and recreation                             | 7,906      |
| Agriculture  | 9,379      |
| Total depreciation expense-governmental activities | \$ 797,632 |



## Jefferson County, Florida Notes to Financial Statements

### NOTE 9 - LONG-TERM LIABILITIES

The county's long-term debt is to be repaid from governmental activities only.

Items of equipment were acquired in prior years and current year under various installment purchase obligations bearing interest at 5.5% to 13.00% per annum. These obligations require monthly and annual installments of various amounts and expire at various dates through June 1, 2014.

The County issued its \$3,440,000 Jefferson County, Florida, Public Improvement Revenue Bond, Series 1999. The bond is dated October 20, 1999 and pays interest at 4.5% annually thereafter on each September 1. Principal is payable annually on September 1, 2001 and each September 1 thereafter in amounts varying from \$110,000 in 2001 up to \$253,000 on September 1, 2020. The Bond was issued to finance the cost of the acquisition, construction and equipping of a criminal justice facility under the authority of and in full compliance with the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, Chapter 218, Part VI, Florida Statutes, Chapters 550 and 551, Florida Statutes, and other applicable provisions of the law, and a resolution duly adopted by the Jefferson County Board of County Commissioners on May 7, 1998, as amended and supplemented. The Bond and the interest thereon are payable solely from and secured by a lien upon and a pledge of (i) the amount of the local government half-cent sales tax distributed by the State to the Issuer, (ii) the amount of pari-mutual tax revenues distributed to the Issuer and (iii) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the manner and to the extent described in the Resolution. It is expressly agreed by the Registered Holder of this Bond that the full faith and credit of the Issuer are not pledged to the payment of the principal of, premium, if any, and interest on this Bond and that such Holder shall never have the right to require or compel the exercise of any taxing power of the Issuer to the payment of such principal, premium, if any, and interest. This Bond and the obligation evidenced thereby shall not constitute a lien upon any property of the Issuer, but shall constitute a lien only on, and shall be payable solely from, the Pledged Funds.

Long-term debt activity for the year ended September 30, 2009, was as follows:

|  | BEGINNING<br>BALANCE, AS<br>RESTATED | ADDITIONS         | REDUCTIONS        | ENDING<br>BALANCE   | DUE<br>WITHIN<br>ONE YEAR |
|--|--------------------------------------|-------------------|-------------------|---------------------|---------------------------|
| <b>Governmental<br/>activities:</b>        |                                      |                   |                   |                     |                           |
| Revenue bonds                              | \$ 2,411,000                         | \$ -              | \$ 156,000        | \$ 2,255,000        | \$ 163,000                |
| Capital lease obligations                  | 26,769                               | 274,645           | 31,315            | 270,099             | 68,693                    |
| Compensated absences                       | 326,350                              | 31,321            | -                 | 357,671             | -                         |
| Landfill closure and<br>post-closure costs | 1,561,505                            | -                 | 82,536            | 1,478,969           | 113,767                   |
| <b>Total</b>                               | <b>\$ 4,325,624</b>                  | <b>\$ 305,966</b> | <b>\$ 269,851</b> | <b>\$ 4,361,739</b> | <b>\$ 345,460</b>         |

Payments on the revenue bonds and leases payable that pertain to the County's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

## Jefferson County, Florida

### Notes to Financial Statements

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#### NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

**Compensated Absences** – Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences payable are shown.

**Long-term landfill closure and post-closure liability** – this obligation relates to long-term landfill post-closure costs.

#### NOTE 10 - 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, 2009.
- 2) Excesses of expenditures over appropriations in individual funds. During the 2008-2009 fiscal year, actual expenditures exceeded total appropriations in the General Fund and Fire Assessment Fund.

#### NOTE 11 - EMPLOYEE BENEFITS

The County and the elected officials participate in the Florida Retirement System (FRS) a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

The System provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Retirement coverage is employee noncontributory. The employer pays all contributions.

**Jefferson County, Florida**  
**Notes to Financial Statements**

**NOTE 11 - EMPLOYEE BENEFITS (CONTINUED)**

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

|                                 | <b>10/01/08<br/>Through<br/>9/30/09</b> |
|---------------------------------|---|
| Regular employees               | 9.85%                                   |
| Senior management               | 13.12%                                  |
| Elected county officials' class | 16.53%                                  |
| Special risk employees          | 20.92%                                  |
| DROP plan participants          | 10.91%                                  |
| Optional retirement plan        | 10.43%                                  |

Contribution rates equal actuarial determined rates. For the period October 1, 2008 through September 30, 2009, the total payroll for all employees and the retirement contributions for all employees covered by FRS were as follows:

|                               | <b>Payroll<br/>Expense</b> | <b>Retirement<br/>Contributions</b> |
|-------------------------------|----------------------------|-------------------------------------|
| Board of County Commissioners | \$ 2,485,602               | \$ 327,930                          |
| Clerk of the Circuit Court    | 466,868                    | 51,757                              |
| Sheriff                       | 1,857,141                  | 309,218                             |
| Property Appraiser            | 239,170                    | 29,361                              |
| Tax Collector                 | 223,336                    | 27,599                              |
| Supervisor of Elections       | 105,803                    | 15,563                              |
| <b>Total</b>                  | <b>\$ 5,377,920</b>        | <b>\$ 761,428</b>                   |

The County's contributions to the Plan for the years ended September 30, 2009, 2008 and 2007 were \$761,428, \$731,677 and \$678,985 respectively, which equal the required contributions. For the year ended September 30, 2009, retirement contributions represent 14.16% of County's total covered payroll.

Effective July 1, 1998, the Legislature established a Deferred Retirement Option Program (DROP). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed sixty months after electing to participate. Deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

**Jefferson County, Florida**  
**Notes to Financial Statements**

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**NOTE 12 - GRANTS**

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2009, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

**NOTE 13 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

The County was required by State law to close its landfill which has no further capacity as of September 30, 1994. The post closure cost of maintenance, monitoring and testing is expected to be \$113,767 per year for the next 13 years. The estimate of post closure costs is based upon information provided by environmental engineers and consultants under contract with the County. The Solid Waste Trust Fund is a special revenue fund maintained by the County to accumulate the assets necessary to fund the post closure liabilities referenced above. The County maintains an escrow account to fund post closure costs annually. The escrow balance at September 30, 2009, was \$127,598.

**NOTE 14 - ROAD BONDS ADMINISTERED BY THE STATE OF FLORIDA**

On September 9, 1992, the State of Florida issued \$3,600,000 of State of Florida, Full Faith and Credit, Jefferson County Road Bonds, Series 1992 through the Division of Bond Finance of the State Board of Administration. The bonds, dated September 1, 1992, are full faith and credit obligations of the State of Florida.

The bonds are payable primarily from and are secured by the Pledged Constitutional Gasoline Tax Funds accruing to Jefferson County, Florida. The Pledged Constitutional Gasoline Tax Funds consist of the 80% and 20% portions of the surplus constitutional gasoline tax funds accruing each year to Jefferson County under the provisions of Section 9(c) of Article XII of the Constitution of Florida. No other local revenues or the general credit of Jefferson County, Florida is pledged on this bond issue.

**Jefferson County, Florida**  
**Notes to Financial Statements**

**NOTE 14 - ROAD BONDS ADMINISTERED BY THE STATE OF FLORIDA (CONTINUED)**

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

The County had an arbitrage rebate liability of \$-0- as of September 30, 2009.

Information regarding the bond issue is as follows:

|                  |                   |
|------------------|-------------------|
| Amount of Issue: | \$ 3,600,000      |
| Date of Issue:   | September 1, 1992 |
| Maturity dates:  |                   |
| May 1, 2010      | \$ 255,000        |
| May 1, 2011      | 270,000           |
| May 1, 2012      | 285,000           |
| <b>Total</b>     | <b>\$ 810,000</b> |

**NOTE 15 - FUND EQUITY**

Reservations of equity indicate the portion of the fund balance that are not available for appropriation or which are legally restricted for specific future uses. The purpose for each is indicated as follows:

| <b>Governmental Activities</b> | <b>Purpose</b>                    |                     |
|--------------------------------|-----------------------------------|---------------------|
| General fund                   | Funding for:                      |                     |
|                                | Tourist development               | \$ 55,414           |
|                                | Impact fees                       | 72,811              |
|                                | Landfill escrow                   | 127,598             |
| <b>Total</b>                   |                                   | <b>\$ 255,823</b>   |
| Special revenue funds          |                                   |                     |
|                                | Reserve for inventory of supplies | 113,988             |
|                                | Law enforcement                   | 1,539,800           |
| <b>Total</b>                   |                                   | <b>\$ 1,653,788</b> |
| Debt Service Fund              |                                   |                     |
|                                | Debt service                      | 182,794             |
| <b>Total</b>                   |                                   | <b>\$ 182,794</b>   |

## Jefferson County, Florida

### Notes to Financial Statements

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#### **NOTE 16 - 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/or the public, or damage to property of others. The County purchases commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees Bond
- Workers' Compensation and employer's liability
- General and automobile Liability
- Comprehensive General Liability
- Accidental death and dismemberment
- Public officials' liability
- Inmate major medical

The Sheriff participates in the Florida Sheriff's Self-Insurance Fund program, which is a public entity risk pool that permits the Sheriff to cover risk relating to professional liability, public officials' liability, public employees' blanket bond, and money and securities coverage. The Sheriff purchases commercial insurance to cover other risks and losses.

#### **NOTE 17 - PRIOR PERIOD ADJUSTMENT**

Beginning net assets were restated to correct depreciable capital assets according to GASB 34 in the amount of \$184,480. Beginning net assets were restated for recognition of long-term debt for compensated absences in the amount of \$(326,350).

#### **NOTE 18 - LITIGATION AND CONTINGENT LIABILITIES**

The County is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the County's financial position.

#### **NOTE 19 - COMMITMENTS AND CONTINGENCIES**

##### **Contractual Commitments**

At September 30, 2009, the Board had contractual commitments for construction projects in excess of amounts recognized in the financial statements.

#### **NOTE 20 - SUBSEQUENT EVENTS**

Subsequent to year end, the County has signed agreements with various agencies for grant funding for various projects.

Subsequent to year end, the County has entered into contracts for various construction projects totaling in excess of \$1.7 million.

## **Supplementary Information**

**Jefferson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

*September 30, 2009*

| Fine and Forfeiture Fund             |              | Special Revenue |                 |                  |                 |              | Sales Tax Fund |
|--------------------------------------|--------------|-----------------|-----------------|------------------|-----------------|--------------|----------------|
|                                      |              | Grants Fund     | SHIP Trust Fund | Capital Projects | Fire Assessment |              |                |
| <b>Assets</b>                        |              |                 |                 |                  |                 |              |                |
| Cash and cash equivalents            | \$ -         | \$ 324,665      | \$ 349,775      | \$ 11,617        | \$ -            | \$ -         | -              |
| Restricted cash and cash equivalents | 422,978      | -               | -               | -                | -               | -            | -              |
| Accounts receivable                  | 186          | -               | -               | -                | -               | -            | -              |
| Due from other funds                 | 1,112,426    | 400,062         | 1,448           | 99,891           | 718,056         | 1,363,398    | -              |
| Due from other governmental units    | 20,498       | -               | -               | -                | 248             | 75,653       | -              |
| Total assets                         | \$ 1,556,088 | \$ 724,727      | \$ 351,223      | \$ 111,508       | \$ 718,304      | \$ 1,439,051 | -              |
| <b>Liabilities</b>                   |              |                 |                 |                  |                 |              |                |
| Vouchers payable                     | \$ 16,288    | \$ -            | \$ -            | \$ -             | \$ 12,401       | \$ -         | -              |
| Due to other funds                   | -            | -               | -               | -                | -               | -            | -              |
| Loan from other fund                 | -            | 154,838         | -               | -                | -               | -            | -              |
| Deferred revenue                     | -            | -               | 60,314          | -                | -               | -            | -              |
| Total liabilities                    | 16,288       | 154,838         | 60,314          | -                | 12,401          | -            | -              |
| <b>Fund balances</b>                 |              |                 |                 |                  |                 |              |                |
| Reserved for                         |              |                 |                 |                  |                 |              |                |
| Debt service                         | -            | -               | -               | -                | -               | -            | -              |
| Law enforcement                      | 1,539,800    | -               | -               | -                | -               | -            | -              |
| Unreserved, reported in:             |              |                 |                 |                  |                 |              |                |
| Special revenue funds                | -            | 569,889         | 290,909         | 111,508          | 705,903         | 1,439,051    | -              |
| Total fund balances                  | 1,539,800    | 569,889         | 290,909         | 111,508          | 705,903         | 1,439,051    | -              |
| Total liabilities and fund balances  | \$ 1,556,088 | \$ 724,727      | \$ 351,223      | \$ 111,508       | \$ 718,304      | \$ 1,439,051 | -              |



**Jefferson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2009

|  | Special Revenue |                     |                     |                   |                   | Total<br>Non-Major<br>Governmental<br>Funds |
|--|-----------------|---------------------|---------------------|-------------------|-------------------|---|
|  | Payroll         | Landfill            | E-911<br>Fund       | FEMA              | Debt<br>Service   |   |
| <b>Assets</b>                              |                 |                     |                     |                   |                   |   |
| Cash and cash equivalents                  | \$ 1,597        | \$ 25,312           | \$ -                | \$ 233,937        | \$ -              | \$ 946,903                                  |
| Restricted cash and cash equivalents       | -               | -                   | -                   | -                 | 246,275           | 669,253                                     |
| Accounts receivable                        | -               | -                   | -                   | -                 | -                 | 186   |
| Due from other funds                       | -               | 1,223,551           | 1,031,613           | -                 | -                 | 5,950,445                                   |
| Due from other governmental units          | -               | 112,782             | 17,818              | 167               | -                 | 227,166                                     |
| <b>Total assets</b>                        | <b>\$ 1,597</b> | <b>\$ 1,361,645</b> | <b>\$ 1,049,431</b> | <b>\$ 234,104</b> | <b>\$ 246,275</b> | <b>\$ 7,793,953</b>                         |
| <b>Liabilities</b>                         |                 |                     |                     |                   |                   |   |
| Vouchers payable                           | \$ 1,597        | \$ 163,199          | \$ 10,260           | \$ 16,595         | \$ -              | \$ 220,340                                  |
| Due to other funds                         | -               | -                   | -                   | 217,509           | 63,481            | 280,990                                     |
| Loan from other fund                       | -               | -                   | -                   | -                 | -                 | 154,838                                     |
| Deferred revenue                           | -               | -                   | -                   | -                 | -                 | 60,314                                      |
| <b>Total liabilities</b>                   | <b>1,597</b>    | <b>163,199</b>      | <b>10,260</b>       | <b>234,104</b>    | <b>63,481</b>     | <b>716,482</b>                              |
| <b>Fund balances</b>                       |                 |                     |                     |                   |                   |   |
| Reserved for                               |                 |                     |                     |                   |                   |   |
| Debt service                               | -               | -                   | -                   | -                 | 182,794           | 182,794                                     |
| Law enforcement                            | -               | -                   | -                   | -                 | -                 | 1,539,800                                   |
| Unreserved, reported in:                   |                 |                     |                     |                   |                   |   |
| Special revenue funds                      | -               | 1,198,446           | 1,039,171           | -                 | -                 | 5,354,877                                   |
| <b>Total fund balances</b>                 | <b>-</b>        | <b>1,198,446</b>    | <b>1,039,171</b>    | <b>-</b>          | <b>182,794</b>    | <b>7,077,471</b>                            |
| <b>Total liabilities and fund balances</b> | <b>\$ 1,597</b> | <b>\$ 1,361,645</b> | <b>\$ 1,049,431</b> | <b>\$ 234,104</b> | <b>\$ 246,275</b> | <b>\$ 7,793,953</b>                         |

**Jefferson County, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

*For the year ended September 30, 2009*

|   | Special Revenue                |                |                    |                     |                    |                   |
|---|--------------------------------|----------------|--------------------|---------------------|--------------------|-------------------|
|   | Fine and<br>Forfeiture<br>Fund | Grants<br>Fund | SHIP<br>Trust Fund | Capital<br>Projects | Fire<br>Assessment | Sales Tax<br>Fund |
| <b>Revenues</b>   |                                |                |                    |                     |                    |                   |
| Taxes   | \$ 919,184                     | \$ -           | \$ -               | \$ -                | \$ -               | \$ 670,290        |
| Intergovernmental   | 84,827                         | 685,907        | 323,108            | -                   | -                  | -                 |
| Charges for services                                      | 11,817                         | -              | -                  | -                   | -                  | -                 |
| Fines and forfeitures                                     | 188,718                        | -              | -                  | -                   | -                  | -                 |
| Investment earnings                                       | 5,638                          | 75             | 140                | -                   | 358                | -                 |
| Other fees and miscellaneous revenues                     | 70                             | -              | -                  | 23                  | 623,773            | -                 |
| Total revenues  | 1,210,254                      | 685,982        | 323,248            | 23                  | 624,131            | 670,290           |
| <b>Expenditures</b>                                       |                                |                |                    |                     |                    |                   |
| Current:  |                                |                |                    |                     |                    |                   |
| Public safety   | 104,453                        | -              | -                  | -                   | -                  | -                 |
| Fire safety   | -                              | -              | -                  | -                   | 656,163            | -                 |
| Health and sanitation                                     | -                              | -              | -                  | -                   | -                  | -                 |
| Transportation  | -                              | -              | -                  | -                   | -                  | -                 |
| Economic development                                      | -                              | 776,374        | 289,659            | -                   | -                  | -                 |
| Capital outlay  | -                              | -              | -                  | -                   | 13,333             | -                 |
| Debt service  | -                              | -              | -                  | -                   | -                  | -                 |
| Principal   | -                              | -              | -                  | -                   | 13,005             | -                 |
| Interest and other charges                                | -                              | -              | -                  | -                   | 1,563              | -                 |
| Total expenditures  | 104,453                        | 776,374        | 289,659            | -                   | 684,064            | -                 |
| Excess (deficiency) of revenues over (under) expenditures | 1,105,801                      | (90,392)       | 33,589             | 23                  | (59,933)           | 670,290           |
| <b>Other financing sources (uses)</b>                     |                                |                |                    |                     |                    |                   |
| Transfers in  | 2,139,977                      | -              | -                  | -                   | -                  | -                 |
| Transfers out   | (3,064,894)                    | -              | -                  | -                   | -                  | (660,304)         |
| Net other financing sources (uses)                        | (924,917)                      | -              | -                  | -                   | -                  | (660,304)         |
| <b>Net change in fund balances</b>                        | 180,884                        | (90,392)       | 33,589             | 23                  | (59,933)           | 9,986             |
| <b>Fund balances - beginning</b>                          | 1,358,916                      | 660,281        | 257,320            | 111,485             | 765,836            | 1,429,065         |
| <b>Fund balances - ending</b>                             | \$ 1,539,800                   | \$ 569,889     | \$ 290,909         | \$ 111,508          | \$ 705,903         | \$ 1,439,051      |

**Jefferson County, Florida**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

*For the year ended September 30, 2009*

|  | Special Revenue |              |               |          | Total<br>Non-Major<br>Governmental<br>Funds |
|--|-----------------|--------------|---------------|----------|---|
|  | Payroll         | Landfill     | E-911<br>Fund | FEMA     |   |
| <b>Revenues</b>  |                 |              |               |          |   |
| Taxes  | \$ -            | \$ -         | \$ -          | \$ -     | \$ 1,841,470                                |
| Intergovernmental  | -               | 371,413      | 207,264       | 533,184  | 2,205,703                                   |
| Charges for services   | -               | -            | -             | -        | 11,817                                      |
| Fines and forfeitures  | -               | -            | -             | -        | 188,718                                     |
| Investment earnings  | -               | 1,085        | -             | -        | 11,399                                      |
| Other fees and miscellaneous revenues                            | -               | 1,525,581    | -             | -        | 2,149,447                                   |
| <b>Total revenues</b>  | -               | 1,898,079    | 207,264       | 533,184  | 6,408,554                                   |
| <b>Expenditures</b>  |                 |              |               |          |   |
| Current:   |                 |              |               |          |   |
| Public health and safety   | -               | -            | 80,340        | -        | 184,793                                     |
| Fire safety  | -               | -            | -             | -        | 656,163                                     |
| Health and sanitation  | -               | 1,547,082    | -             | -        | 1,547,082                                   |
| Transportation   | -               | -            | -             | 587,035  | 587,035                                     |
| Economic development   | -               | -            | -             | -        | 1,066,033                                   |
| Capital outlay   | -               | 28,329       | -             | 22,294   | 63,956                                      |
| Debt service   | -               | -            | -             | -        | -   |
| Principal  | -               | -            | -             | -        | 409,005                                     |
| Interest and other charges                                       | -               | -            | -             | -        | 172,563                                     |
| <b>Total expenditures</b>  | -               | 1,575,411    | 80,340        | 609,329  | 4,686,630                                   |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | -               | 322,668      | 126,924       | (76,145) | 1,721,924                                   |
| <b>Other financing sources (uses)</b>                            |                 |              |               |          |   |
| Transfers in   | -               | -            | -             | 76,145   | 2,480,617                                   |
| Transfers out  | -               | -            | -             | -        | (3,725,198)                                 |
| <b>Net other financing sources (uses)</b>                        | -               | -            | -             | 76,145   | (1,244,581)                                 |
| <b>Net change in fund balances</b>                               | -               | 322,668      | 126,924       | -        | 477,343                                     |
| <b>Fund balances - beginning</b>                                 | -               | 875,778      | 912,247       | -        | 6,600,128                                   |
| <b>Fund balances - ending</b>                                    | \$ -            | \$ 1,198,446 | \$ 1,039,171  | \$ -     | \$ 7,077,471                                |

**Jefferson County, Florida**  
**Combing Statement of Fiduciary Net Assets**  
**Agency Funds**

*September 30, 2009*

|                           | Clerk of the<br>Circuit Court | Tax<br>Collector | Sheriff    | Total        |
|---------------------------|-------------------------------|------------------|------------|--------------|
| <b>Assets</b>             |                               |                  |            |              |
| Cash and cash equivalents | \$ 449,519                    | \$ 1,027,130     | \$ 170,094 | \$ 1,646,743 |
| Total assets              | \$ 449,519                    | \$ 1,027,130     | \$ 170,094 | \$ 1,646,743 |
| <b>Liabilities</b>        |                               |                  |            |              |
| Due to other governments  | \$ -                          | \$ 1,027,130     | \$ -       | \$ 1,027,130 |
| Due to others             | 449,519                       | -                | 170,094    | 619,613      |
| Total liabilities         | \$ 449,519                    | \$ 1,027,130     | \$ 170,094 | \$ 1,646,743 |

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

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

We have audited the financial statements of the Jefferson County, Florida (the "County") as of and for the year ended September 30, 2009, and have issued our report thereon dated February 1, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2009-1, 2009-2, 2009-3, 2008-1 and 2008-2 to be significant deficiencies in internal control over financial reporting.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### **Compliance and Other Matters**

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

We also noted certain other matters that we reported to the management of the County in a separate letter dated February 1, 2010.

Jefferson County, Florida's written response to the findings identified in our audit is described in the accompanying letter. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County, Constitutional Officers and management, the State of Florida Auditor General, specific legislative or regulatory bodies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Car, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
February 1, 2010



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM  
AND STATE FINANCIAL ASSISTANCE PROJECT AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

**Compliance**

We have audited the compliance of Jefferson County, Florida, Board of County Commissioners (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009. Jefferson County, Florida's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, Jefferson County, Florida complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2009.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

### **Internal Control Over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program or state project such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program or state project that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2009-2, 2009-3, 2009-4 and 2009-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The County's response to the findings identified in our audit is described in the accompanying letter. We did not audit County's response and, accordingly, we express no opinion on it.



To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

This report is intended solely for the information and use of the County, Constitutional Officers and management, the State of Florida Auditor General, specific legislative or regulatory bodies, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Can, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
February 1, 2010

**Jefferson County, Florida**  
**Schedule of Expenditures of Federal Awards and**  
**State Financial Assistance**

*For the year ended September 30, 2009*

| <b>Federal Agency</b>  | <b>CFDA</b>   | <b>Contract/Grant</b> |                     |
|--|---------------|-----------------------|---------------------|
| <b>Pass through entity</b>   | <b>Number</b> | <b>Number</b>         | <b>Expenditures</b> |
| <b>Federal Award Programs</b>  |               |                       |                     |
| <b>United States Department of Homeland Security</b>                   |               |                       |                     |
| <b>Florida Department of Community Affairs</b>                         |               |                       |                     |
| Disaster Grant - Public Assistance - TS Fay                            | 97.036        | 08-PA-B9-02-43-534    | \$ 422,328          |
| Disaster Grant - Public Assistance - NF Flood                          | 97.036        | 09-SS-E8-02-43-13-509 | 34,687              |
| State Homeland Security Grant Program - Coop/Cont of Oper              | 97.067        | 09-DS-04-02-43-01-002 | 7,500               |
| State Homeland Security Grant Program - Coop/Cont of Oper              | 97.067        | 08-DS-60-02-43-01-210 | 69,888              |
| State Homeland Security Grant Program - Coop/Cont of Oper              | 97.067        | 07-DS-5N-02-43-01-396 | 12,199              |
| State Homeland Security Grant Program - Hazard Mitigation              | 97.067        | 09-DS-51-02-43-N-382  | 27,000              |
| Emergency Management Performance Grant - Base Grant                    | 97.042        | 09-BG-03-02-43-01-162 | 39,286              |
| Emergency Management Performance Grant - Supplemental Grant            | 97.042        | 09-BG-20-02-43-01-160 | 25,818              |
| HMGP - Hazard Mitigation   | 97.xxx        | 07-EC-33-02-43-01-475 | 176,783             |
| <b>Total United States Department of Homeland Security</b>             |               |                       | <b>815,489</b>      |
| <b>United States Department of Housing and Urban Development</b>       |               |                       |                     |
| Section 8 Housing Choice Vouchers                                      | 14.871        | FL140V0               | 759,137             |
| <b>Total United States Department of Housing and Urban Development</b> |               |                       | <b>759,137</b>      |
| <b>United States Department of Health and Human Services</b>           |               |                       |                     |
| <b>Florida Department of Revenue:</b>                                  |               |                       |                     |
| <b>Child Support Enforcement</b>                                       |               |                       |                     |
| Child Support Enforcement - Title IVD                                  | 93.563        | n/a                   | 47,591              |
| <b>Total United States Department of Health and Human Services</b>     |               |                       | <b>47,591</b>       |
| <b>United States Department of Justice</b>                             |               |                       |                     |
| <b>Florida Department of Law enforcement:</b>                          |               |                       |                     |
| <b>Byrne Formol Grant Program</b>                                      |               |                       |                     |
| Anti-Drug Abuse Act Funds  | 16.738        | 209-JAGC-881          | 40,608              |
| <b>Total United States Department of Justice</b>                       |               |                       | <b>40,608</b>       |
| <b>Total Expenditures of Federal Awards Programs</b>                   |               |                       | <b>\$ 1,662,825</b> |

**Jefferson County, Florida**  
**Schedule of Expenditures of Federal Awards and**  
**State Financial Assistance, *continued***

*For the year ended September 30, 2009*

| <b>Federal/State Agency<br/>Pass-Through Entity<br/>State Financial Assistance Projects</b> | <b>CSFA<br/>Number</b> | <b>Grant/<br/>Contract<br/>Number</b> | <b>Expenditures</b> |
|---|------------------------|---------------------------------------|---------------------|
| <b>Florida Department of Transportation</b>   |                        |                                       |                     |
| <b>Public Transit Service Development Program</b>   |                        |                                       |                     |
| Small County Road Assistance Program (SCRAP) - CR 146                                       | 55.016                 | AOZ72                                 | \$ 2,303,770        |
| Small County Road Assistance Program (SCRAP) - CR 58  | 55.016                 | AP841                                 | 541,600             |
| Small County Road Assistance Program (SCRAP) - CR 142                                       | 55.016                 | AP840                                 | 1,046,066           |
| Small County Outreach Program - Rabon Rd/CR 158   | 55.009                 | AOZ87                                 | 925,704             |
| Small County Outreach Program - South Salt Rd/ CR 257A                                      | 55.009                 | AP834                                 | 1,454,244           |
| <b>Florida Department of Transportation</b>   |                        |                                       | <b>6,271,384</b>    |
| <b>Florida Department of Community Affairs</b>  |                        |                                       |                     |
| <b>Emergency Management Programs</b>  |                        |                                       |                     |
| Emergency Management Base Grant   | 52.008                 | 09-BG-03-02-43-01-162                 | 89,373              |
| County Emergency Operations Center  | 52.010                 | 07-ED-33-02-43-01-475                 | 606,828             |
| Disaster Grant - Public Assistance - TS Fay   | 52.xxx                 | FEMA-1785-DR                          | 70,388              |
| Disaster Grant - Public Assistance - NF Flood   | 52.xxx                 | FEMA-1831-DR                          | 5,781               |
| <b>Florida Housing Finance Corporation</b>  |                        |                                       |                     |
| State Housing Initiatives Partnership Program (SHIP)  | 52.901                 | 08/09                                 | 289,659             |
| <b>Total Florida Department of Community Affairs</b>  |                        |                                       | <b>1,062,029</b>    |
| <b>Florida Department of Environmental Protection</b>                                       |                        |                                       |                     |
| <b>Small County Grants Program</b>  |                        |                                       |                     |
| Cooperative Collection Center Grant - Hazard Material Planning                              | 37.007                 | SO393                                 | 28,578              |
| Small County Consolidated Grant - Solid Waste   | 37.012                 | SC919                                 | 298,566             |
| <b>Florida Recreation Development Assistance Program</b>                                    |                        |                                       |                     |
| Park Development Assistance   | 37.017                 | AO8038                                | 199,957             |
| Livestock/Horse Arena   | 37.017                 | FO7020                                | 184,877             |
| <b>Total Florida Department of Environmental Protection</b>                                 |                        |                                       | <b>711,978</b>      |
| <b>Florida Department of State</b>  |                        |                                       |                     |
| <b>Division of Library and Information Services</b>   |                        |                                       |                     |
| Library Resources   | 45.030                 | 09-ST-92                              | 100,965             |
| <b>Total Florida Department of State</b>  |                        |                                       | <b>100,965</b>      |
| <b>Florida Department of Health</b>   |                        |                                       |                     |
| <b>Community Public Health Program</b>  |                        |                                       |                     |
| County Grant Awards - EMS   | 64.005                 | C-8033                                | 13,116              |
| <b>Total Florida Department of Health</b>   |                        |                                       | <b>13,116</b>       |
| <b>Florida Department of Agriculture</b>  |                        |                                       |                     |
| <b>Consumer Protection Program</b>  |                        |                                       |                     |
| Mosquito Control  | 42.003                 | n/a                                   | 27,300              |
| <b>Total Florida Department of Agriculture</b>  |                        |                                       | <b>27,300</b>       |
| <b>Total Expenditures of State Financial Assistance Projects</b>                            |                        |                                       | <b>\$ 8,186,772</b> |

**Jefferson County, Florida**  
**Notes to Schedule of Expenditures of Federal Award Programs**  
**and State Financial Assistance Projects**  
**For the year ended September 30, 2009**

---

**NOTE 1 - BASIS OF ACCOUNTING**

The supplementary Schedule of Expenditures of Federal Award Programs and State Financial Assistance Projects include the grant activity of Jefferson County, Florida (the County). Federal and state expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - REPORTING ENTITY**

The County for purposes of the supplementary Schedule of Expenditures of Federal Award Programs and State Financial Assistance Projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

**NOTE 3 - PASS-THROUGH AWARDS**

The County receives certain federal awards from pass-through awards of the State. The total amount of such pass-through awards is included on the supplementary Schedule of Expenditures of Federal Award Programs and State Financial Assistance Projects.

**Jefferson County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2009**

---

**A. SUMMARY OF AUDIT RESULTS**

1. The Independent Auditors' Report expresses an unqualified opinion on the financial statements of Jefferson County, Florida (the County).
2. Significant deficiencies disclosed during the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. Significant deficiencies relating to the audit of the major federal award program and state financial assistance projects are reported in the Independent Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Program.
5. The Independent Auditors' Report on Compliance and Internal Control over Compliance Applicable to each major federal award programs and state financial assistance projects for Jefferson County, Florida expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs and state financial assistance projects for Jefferson County, Florida are reported in this schedule.
7. The programs/projects tested as major programs/projects included the following:

| <b>Federal Programs</b>                            | <b>CFDA No.</b>     |
|--|---------------------|
| U.S. Department of Health and Human Services       |                     |
| Section 8 Housing Choice Vouchers                  | 14.871              |
| U.S. Department of Homeland Security               |                     |
| Hazard Mitigation                                  | 97.xxx              |
| <br><b>State Projects</b>                          | <br><b>CSFA No.</b> |
| Florida Division of Emergency Management           |                     |
| Construction of County Emergency Operations Center | 52.010              |
| Florida Department of Transportation               |                     |
| Small County Road Assistance Program               | 55.016              |
| Small County Outreach Program                      | 55.009              |

**Jefferson County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2009**

---

**A. SUMMARY OF AUDIT RESULTS (CONTINUED)**

8. The threshold for distinguishing Type A and Type B programs/projects was \$300,000 for major federal award programs and \$300,000 for major state financial assistance projects.
9. Jefferson County, Florida did not qualify as a low-risk auditee pursuant to OMB Circular A-133.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**TAX COLLECTOR**

**Significant Deficiency 2009-1: Tax Account Reconciliation**

COMMENT: At year end, the Tax Collector cash balance should reconcile to installments collected for next year's taxes and other amounts collected. We noted the Tax Collector's tax account had approximately \$232,738 of undisbursed taxes and fees in excess of tax installments.

RECOMMENDATION: We recommend the Tax Collector disburse all taxes and fees timely and reconcile the tax account monthly.

**C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AND STATE PROJECTS**

**BOARD OF COUNTY COMMISSIONERS**

**Significant Deficiency 2009-2: GRANT EXPENDITURES AND REIMBURSEMENTS**

**Florida Department of Transportation, Small County Road Assistance Program, CSFA 55.016 and Small County Outreach Program, CSFA 55.009**

COMMENT: It was noted that the County did not record expenditures for these projects or request reimbursement of expenditures from grantor agencies in a timely manner. Failure to properly record expenditures and revenue could result in the potential for lost revenue and improper reporting. This occurred due to budgetary constraints.

RECOMMENDATION: We recommend that the County amend their budget and record expenditures as made, while submitting requests for grant reimbursements as soon as the funds are made available. This will reduce the potential for lost revenue and allow the funds to be properly recorded in the correct period.

**Jefferson County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2009**

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**C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AND STATE PROJECTS**

**BOARD OF COUNTY COMMISSIONERS (CONTINUED)**

**Significant Deficiency 2009-3: RETAINAGE PAYABLE**

**Florida Department of Transportation, Small County Outreach Program, CSFA 55.009**

COMMENT: It was noted that the County did not properly record retainage for work in process as required by generally accepted accounting principles and as stipulated in the OMB Circular A-133, resulting in improper recognition of expenditures, revenues, liabilities, and assets. Improper recognition of expenditures can potentially result in improper reporting to funding agencies, improper reimbursement requests, and improper calculation of match requirements.

RECOMMENDATION: We recommend that the County record retainage for work in process to properly reflect expenditures, revenues, liabilities, and assets.

**Significant Deficiency 2009-4: INCOMPLETE DOCUMENTATION**

**Department of Housing and Urban Development, HUD Section 8 Housing Assistance Program, CFDA 14.871**

COMMENT: We noted several applicant files with incomplete or missing documentation including noncurrent or missing leases, noncurrent and missing inspections. Documentation needed to process applicants is stipulated in the County's Administration Plan. Failure to complete documentation could result in the County processing and accepting ineligible applicants.

RECOMMENDATION: We recommend that the County review each applicant file to ensure documentation is complete prior to approving release of funds.

**Significant Deficiency 2009-5: UNSUPPORTED PAYMENTS**

**Department of Housing and Urban Development, HUD Section 8 Housing Assistance Program, CFDA 14.871**

COMMENT: We noted that overpayments were made to a landlord when the payment was not adjusted to reflect the annual recertification of one applicant. Failure to make payments based on income certification could result in the loss of grant funding.

RECOMMENDATION: We recommend that the County monitor the approval and payment process more closely.

**Jefferson County, Florida**  
**Summary Schedule of Prior Audit Findings**  
**For the year ended September 30, 2009**

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**PRIOR-YEAR AUDIT FINDINGS AND QUESTIONED COSTS**

**MAJOR FEDERAL PROGRAMS AND STATE PROJECTS**

In the prior year, we noted no matters involving noncompliance that are required to be reported in accordance with OMB Circular A-133 or Chapter 10.550, *Rules of the Auditor General*.

**FINANCIAL STATEMENT AUDIT**

**BOARD OF COUNTY COMMISSIONERS, CLERK OF CIRCUIT COURT, PROPERTY APPRAISER,  
SHERIFF, SUPERVISOR OF ELECTION AND TAX COLLECTOR**

**Significant Deficiency 2008-1: Segregation of Duties**

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal segregation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. At a minimum, we recommend the Constitutional Officers receive and review the unopened bank statements each month, indicating on the statement evidence of his/her review.

STATUS: This condition continues to exist.

**Significant Deficiency 2008-2: Preparation of GAAP-based Financial Statements**

COMMENT: The County has capable individuals providing bookkeeping services; however, no individual on staff has the accounting education and experience to prepare financial statements in accordance with generally accepted accounting principles (GAAP). Management relies on Carr, Riggs & Ingram, LLC to prepare their annual financial statements including the note disclosures.

RECOMMENDATION: We understand that the cost-benefit ratio of hiring someone with this expertise is not practical, therefore; we recommend the County continue to request outside assistance when preparing annual financial statements.

STATUS: This condition continues to exist.



## INDEPENDENT AUDITORS' MANAGEMENT LETTER COMMENTS

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying financial statements of Jefferson County, Florida (the "County") as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated February 1, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*, Independent Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Program and State Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated February 1, 2010, should be considered in conjunction with this management letter.

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. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Prior Year Findings and Recommendations."
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that Jefferson County, Florida complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statements amounts that is less than material, but, more than inconsequential. In connection with our audit, we did not have any such findings.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statements amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, and defalcations and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we disclosed the following finding:

#### **CURRENT YEAR FINDINGS:**

##### **TAX COLLECTOR**

COMMENT: The Tax Collector disbursed all penalties and interest on warrants to the Board of County Commissioners and not to the various taxing authorities. Taxes, interest and related penalties are to be disbursed to all taxing authorities in accordance with applicable millage rates.

RECOMMENDATION: We recommend the Tax Collector disburse all collections accordingly.

- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This item is disclosed in the notes to the Financial Statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the Jefferson County for the fiscal year ended September 30, 2009, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2009. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jefferson County, Florida  
Monticello, Florida

- Section 10.554(1)(i)8., Rules of the Auditor General, requires a statement as to whether or not the Clerk of Court complied with Section 28.35, Florida Statutes, regarding the budget and performance standards certified by the Florida Clerk of Courts Operations Corporation. In connection with our audit, we determined that the Clerk complied with the budget and performance standards pursuant to Section 28.35, Florida Statutes.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of the Jefferson County, Florida, Board of County Commissioners, Constitutional Officers and management, and the State of Florida Auditor General and appropriate federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Caru, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
February 1, 2010



# BOARD OF COUNTY COMMISSIONERS JEFFERSON COUNTY, FLORIDA

THE KEYSTONE COUNTY-ESTABLISHED 1827  
1 COURTHOUSE CIRCLE, ROOM 10; MONTICELLO, FLORIDA 32344  
VOICE: (850)-342-0218 FAX: (850)-342-0222

Stephen G. Fulford  
District 1

Eugene C. Hall  
District 2

Hines F. Boyd  
District 3

Felix "Skeet" Joyner  
District 4

Danny Monroe, III  
District 5

February 1, 2010

Mr. David W. Martin  
Auditor General, State of Florida  
111 West Madison Street  
Tallahassee, Florida 32399

Re: September 30, 2009 Audit of Jefferson County, Florida

Dear Mr. Martin,

This is in reply to our auditor's findings and recommendations contained in our audit report for the year ended September 30, 2009.

**Significant Deficiency 2009-1: Tax Account Reconciliation**

This item is addressed in the attached response from the Jefferson County Tax Collector

**Significant Deficiency 2009-2: Grant Expenditures and Reimbursements**

The County will establish controls to ensure that timely budget amendments are made and expenditures are recorded and reimbursements are requested in the proper periods.

**Significant Deficiency 2009-3: Retainage Payable**

The County will establish controls to ensure retainage is recorded at year end to properly reflect work in process.

**Significant Deficiency 2009-4: Incomplete Documentation**

This function is under contract with a third party administrator. The County will consult with the administrator to ensure that all documentation is completed prior to accepting applicants into the program.

**Significant Deficiency 2009-4: Unsupported Payments**

The County will attempt to recover any overpayments and consult with the third party administrator for the program to ensure annual recertifications are complete and rent payments are in the correct amounts.

Respectfully,

Kirk B. Reams  
Clerk of the Circuit Court

Kirk Reams  
Clerk of Courts

Roy M. Schleicher  
County Coordinator

T. Buckingham Bird  
County Attorney

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

**Special-Purpose Financial Statements**

**September 30, 2009**

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
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**September 30, 2009**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Kirk B. Reams  
Clerk of the Circuit Court of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying special-purpose financial statements of the Jefferson County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2009, as listed in the table of contents. These special-purpose financial statements are the responsibility of management of the Clerk. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, the Clerk's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Clerk. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General State of Florida*, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Clerk.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and remaining fund information as well as the fiduciary fund type of the Clerk as of September 30, 2009, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable Kirk B. Reams  
Clerk of the Circuit Court of Jefferson County, Florida  
Monticello, Florida

In accordance with *Government Auditing Standards* we have also issued a report dated November 25, 2009, on our consideration of the Clerk's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Cau, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 25, 2009



## **Special-Purpose Financial Statements**

Jefferson County, Florida  
Clerk of the Circuit Court  
Special-Purpose Balance Sheet  
Governmental Funds

September 30, 2009

|                                      | General<br>Fund |
|--------------------------------------|-----------------|
| <b>Assets</b>                        |                 |
| Restricted cash and cash equivalents | \$ 23,979       |
| Total assets                         | \$ 23,979       |
| <b>Liabilities</b>                   |                 |
| Due to other governmental units      | \$ 13,691       |
| Due to Board of County Commissioners | 10,288          |
| Total liabilities                    | 23,979          |
| <b>Fund balances</b>                 |                 |
| Reserved for other purposes          | -               |
| Total liabilities and fund balances  | \$ 23,979       |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
**Special-Purpose Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2009*

|  | General<br>Fund  |
|--|------------------|
| <b>Revenues</b>  |                  |
| Charges for services   | \$ 567,613       |
| Intergovernmental  | 131,265          |
| <b>Total revenues</b>  | <b>698,878</b>   |
| <b>Expenditures</b>  |                  |
| General government   |                  |
| Personal services  | 224,964          |
| Operating expenses   | 63,476           |
| Court-related  |                  |
| Personal services  | 327,298          |
| Operating expenses   | 235,617          |
| Capital outlay   | 15,074           |
| <b>Total expenditures</b>  | <b>866,429</b>   |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(167,551)</b> |
| <b>Other financing sources (uses)</b>                            |                  |
| Transfers in   | 177,839          |
| Transfers out  | (10,288)         |
| <b>Net other financing sources (uses)</b>                        | <b>167,551</b>   |
| <b>Net change in fund balances</b>                               | <b>-</b>         |
| <b>Fund balances - beginning</b>                                 | <b>-</b>         |
| <b>Fund balances - ending</b>                                    | <b>\$ -</b>      |

See accompanying notes to financial statements.

Jefferson County, Florida  
Clerk of the Circuit Court  
Special-Purpose Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
General Fund

*For the year ended September 30, 2009*

|   | Original<br>Budget | Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|-------------------|---|
| <b>Revenues</b>   |                    |                 |                   |   |
| Charges for services                                      | \$ 739,943         | \$ 739,943      | \$ 567,613        | \$ (172,330)  |
| Intergovernmental   | 126,563            | 126,563         | 131,265           | 4,702   |
| Total revenues  | 866,506            | 866,506         | 698,878           | (167,628)   |
| <b>Expenditures</b>                                       |                    |                 |                   |   |
| General government  |                    |                 |                   |   |
| Personal services   | 231,000            | 231,000         | 224,964           | 6,036   |
| Operating expenses  | 64,350             | 64,350          | 63,476            | 874   |
| Court-related   |                    |                 |                   |   |
| Personal services   | 361,600            | 361,600         | 327,298           | 34,302  |
| Operating expenses  | 378,895            | 378,895         | 235,617           | 143,278   |
| Capital outlay  | 8,500              | 8,500           | 15,074            | (6,574)   |
| Total expenditures  | 1,044,345          | 1,044,345       | 866,429           | 177,916   |
| Excess (deficiency) of revenues over (under) expenditures | (177,839)          | (177,839)       | (167,551)         | 10,288  |
| <b>Other financing sources (uses)</b>                     |                    |                 |                   |   |
| Transfers in  | 177,839            | 177,839         | 177,839           | -   |
| Transfers out   | -                  | -               | (10,288)          | (10,288)  |
| Net other financing sources (uses)                        | 177,839            | 177,839         | 167,551           | (10,288)  |
| <b>Net change in fund balance</b>                         | <b>\$ -</b>        | <b>\$ -</b>     | <b>\$ -</b>       | <b>\$ -</b>   |

See accompanying notes to financial statements.

Jefferson County, Florida  
Clerk of the Circuit Court  
Special-Purpose Statement of Fiduciary Net Assets  
Agency Funds

September 30, 2009

|                           | Agency<br>Funds |
|---------------------------|-----------------|
| <hr/>                     |                 |
| <b>Assets</b>             |                 |
| Cash and cash equivalents | \$ 449,519      |
| <hr/>                     |                 |
| Total assets              | \$ 449,519      |
| <hr/>                     |                 |
| <b>Liabilities</b>        |                 |
| Due to others             | \$ 449,519      |
| <hr/>                     |                 |
| Total liabilities         | \$ 449,519      |
| <hr/>                     |                 |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these special-purpose financial statements.

***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 (the "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 accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jefferson County Clerk's Office.

The Clerk is a separately elected County official established pursuant to the Constitution of the State of Florida. The Clerk's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jefferson County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Clerk's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is reported as part of the primary government of Jefferson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General* State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Clerk.

The operations of the Clerk are primarily funded by the Board and the Clerks of Court Operations Corporation (the "CCOC"). The receipts from the Board are recorded as other revenues on the Clerk's financial statements and as expenditures on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Presentation***

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Clerk, were prepared in conformity with generally accepted accounting principles in the United States of America.

In preparing these financial statements the following are reported as major governmental funds:

**General Fund** - The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Clerk that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

The Clerk also reported the following fund type:

**Agency Funds** - The agency funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

***Measurement Focus***

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

***Basis of Accounting***

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.



**Jefferson County, Florida  
Clerk of the Circuit Court  
Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Clerk's policy to use restricted resources first, then unrestricted resources as needed.

***Budgetary Requirements***

Florida Statutes, Chapter 28.35 and 218.35, details the preparation, adoption and administration of the Clerk's annual budget. The Clerk establishes an annual balanced budget for the office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board of County Commissioners and the CCOC. The budget is prepared on a basis consistent with generally accepted accounting principles.

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Short-term investments also include amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pools created by Sections 218.405 and 218.417, Florida Statutes.

***Capital Assets and Depreciation***

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Clerk are capitalized at cost in the capital asset accounts of the County. The Clerk maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

|                                     |            |
|-------------------------------------|------------|
| Furniture, machinery, and equipment | 3-30 years |
|-------------------------------------|------------|

***Due to Others***

This account is used to account for assets held by the Clerk in a trustee capacity for other governmental agencies or individuals.

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accumulated Compensated Absences**

The Clerk maintains a policy that permits permanent full-time employees to accumulate earned but unused personal leave hours that will be paid to employees upon separation if certain criteria are met. These benefits, plus their related tax and retirement cost are classified as compensated absences. Employees may be paid for unused personal leave hours accrued up to a maximum amount in accordance with personnel policy.

The Clerk's accumulated compensated absences are reported in the statement of net assets in the County's financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

***Risk Management and Insurance***

The Clerk participates in the various insurance coverages provided by the Board of County Commissioners for several Constitutional Officers of the County. Coverage under these programs includes:

General Liability  
Automobiles  
Money and Securities Coverage

The Clerk provides for workers' compensation coverage through the Board.

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

At September 30, 2009, the carrying amount of the Clerk's cash and cash equivalents and restricted cash was \$473,498 and the bank balance was \$512,951. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

Florida Statutes authorize the Clerk to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Clerk to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

The Clerk invested funds in the Florida State Board of Administration Local Government Surplus Funds Investment Pool. At September 30, 2009, the market value and the carrying value of these funds were \$118,993. The funds are carried as a cash equivalent on the balance sheet at September 30, 2009 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note.

The Clerk's investments in the Local Government Surplus Funds Trust Fund (Florida PRIME), which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2009, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

The State Board of Administration's interpretation in regards to the Clerk's investments in Fund B is that it does not meet the requirement of a SEC 2a-7-like fund; therefore, State Board of Administration is providing a Fair Value factor (i.e. total net asset value of Fund B divided by total participant balances of Fund B) for September 30, 2009. The Fair Value factor for Fund B for September 30, 2009, is .54915069.

As of September 30, 2009, the Board had \$114,585 and \$4,408 invested in Florida PRIME and B, respectively. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at [www.sbafla.com/prime](http://www.sbafla.com/prime).

**CREDIT RISK**

As of September 30, 2009, the Clerk's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAm. The Fund B Surplus Funds Trust Fund is not rated by any nationally recognized statistical rating agency.

**INTEREST RATE RISK**

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2009, is 33 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (based on expected future cash flows) of Fund B at September 30, 2009, is estimated at 6.69 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Special-Purpose Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**CUSTODIAL CREDIT RISK**

At September 30, 2009, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

**CONCENTRATION OF CREDIT RISK**

At September 30, 2009, the Clerk did not hold any investments that were considered to have concentration of credit risk.

**NOTE 3 – LONG-TERM LIABILITIES**

The Clerk's long-term liabilities are reported in the statement of net assets in the County's financial statements.

Long-term liability activity for the year ended September 30, 2009, was as follows:

|                                     | <b>BEGINNING<br/>BALANCE</b> | <b>ADDITIONS</b> | <b>REDUCTIONS</b> | <b>ENDING<br/>BALANCE</b> | <b>DUE<br/>WITHIN<br/>ONE<br/>YEAR</b> |
|-------------------------------------|------------------------------|------------------|-------------------|---------------------------|--|
| <b>Governmental<br/>activities:</b> |                              |                  |                   |                           |  |
| Compensated<br>absences             | \$ 14,903                    | \$ 1,656         | \$ -              | \$ 16,559                 | \$ -                                   |
| <b>Total</b>                        | <b>\$ 14,903</b>             | <b>\$ 1,656</b>  | <b>\$ -</b>       | <b>\$ 16,559</b>          | <b>\$ -</b>                            |

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Clerk's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 4 – EMPLOYEE PENSION PLAN**

In accordance with Florida Law, the Clerk participates in the Florida Retirement System (FRS), a multiple-employer cost sharing defined benefit public retirement system administered by the State of Florida, Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1650, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

The System provides vesting benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Retirement coverage is employee noncontributory. The employer pays all contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

|                                 | <b>10/01/08<br/>Through<br/>09/30/09</b> |
|---------------------------------|--|
| Regular employees               | 9.85%                                    |
| Senior management               | 13.12%                                   |
| Elected county officials' class | 16.53%                                   |
| Special risk employees          | 20.92%                                   |
| Drop participants               | 10.91%                                   |

The above rates include a 1.11% health insurance subsidy contribution. For the period October 01, 2008 through September 30, 2009, the total payroll for the Clerk employees covered by the System was \$466,868. The retirement contributions for all employees covered by the FRS for the years ended September 30, 2009, 2008 and 2007 were \$51,757, \$52,607 and \$39,515 respectively, which equal the required contributions. For the year ended September 30, 2009 retirement contributions represent 11.09% of covered payroll.

**Jefferson County, Florida**  
**Clerk of the Circuit Court**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 5 – EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were recorded as a transfer out to the Board of County Commissioners.

## Reports



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

To the Honorable Kirk B. Reams  
Clerk of the Circuit Court of Jefferson County, Florida  
Monticello, Florida

We have audited the special-purpose financial statements of the Jefferson County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2009, and have issued our report thereon dated November 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Clerk's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Clerk's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Clerk's financial statements that is more than inconsequential will not be prevented or detected by the Clerk's internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting:

To the Honorable Kirk B. Reams  
Clerk of the Circuit Court of Jefferson County, Florida  
Monticello, Florida

#### **PRIOR YEAR FINDING: Need for Segregation of Duties**

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. At a minimum, we recommend the Clerk receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

#### **Preparation of GAAP-based Financial Statements**

COMMENT: The Clerk has a capable individual providing bookkeeping services; however the Clerk does not have an individual on staff with the accounting education and experience to prepare financial statements in accordance with generally accepted accounting principles (GAAP). Management relies on Carr, Riggs and Ingram to prepare their annual financial statements including the note disclosures.

RECOMMENDATION: We understand that the cost-benefit of hiring someone with this expertise is not practical, therefore; we recommend the Clerk continue to request outside assistance when preparing annual financial statements.

STATUS: This condition continues to exist.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Clerk's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### **Compliance and Other Matters**

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

To the Honorable Kirk B. Reams  
Clerk of the Circuit Court of Jefferson County, Florida  
Monticello, Florida

The Clerk's response to the findings identified in our audit is described in the accompanying letter. We did not audit the Clerk's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Jefferson County, Florida, Clerk of the Circuit Court and the Board of County Commissioners, and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Car, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 25, 2009

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Kirk B. Reams  
Clerk of the Circuit Court of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying financial statements of the Jefferson County, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2009, and have issued our report thereon dated November 25, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which are dated November 25, 2009, if any, should be considered in conjunction with this management letter.

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. This letter includes the following information, which is not included in the aforementioned auditors' report:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Significant findings and recommendations made in the preceding annual financial audit report have not been corrected.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Jefferson County, Florida, Clerk of the Circuit Court complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

To the Honorable Kirk B. Reams  
Clerk of the Circuit Court of Jefferson County, Florida  
Monticello, Florida

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material, but, more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, and defalcations and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information was disclosed in the notes to the Financial Statements.
- Section 10.554(1)(i)8., Rules of the Auditor General, requires a statement as to whether or not the Clerk of Court complied with Section 28.35, Florida Statutes, regarding the budget and performance standards certified by the Florida Clerk of Courts Operations Corporation. In connection with our audit, we determined that the Clerk complied with the budget and performance standards pursuant to Section 28.35, Florida Statutes.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Jefferson County, Florida, Clerk of the Circuit Court, the Board of County Commissioners, the Florida Auditor General and appropriate federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Car, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 25, 2009



Kirk B. Reams  
Clerk Of The Circuit Court  
Jefferson County, Florida



Room 10  
County Courthouse  
Tallahassee, Florida 32301

Florida Department of  
Financial Services  
Tallahassee, Florida 32301

November 30, 2009

Mr. David W. Martin  
Auditor General, State of Florida  
111 West Madison Street  
Tallahassee, Florida 32399

Re: 2008-2009 Audit

Dear Mr. Martin,

This is in reply to our auditor's findings and recommendations contained in my audit report for the year ended September 30, 2009. Please be advised that although I agree with the auditor's findings and recommendations, the cost/benefit ratio is far too costly for this office to hire additional personnel to accomplish adequate segregation of duties and to prepare financial statements on our own. Accordingly, I will continue to utilize the current procedures regarding review of unopened bank statements each month and will continue to utilize Carr, Riggs & Ingram to prepare financial statements each year.

Respectfully,

A handwritten signature in black ink, appearing to read "Kirk B. Reams".

Kirk B. Reams  
Clerk of the Circuit Court

**Jefferson County, Florida  
Property Appraiser**

**Special-Purpose Financial Statements**

**September 30, 2009**



**Jefferson County, Florida**  
**Property Appraiser**  
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**September 30, 2009**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Angela C. Gray  
Property Appraiser of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying special-purpose financial statements of the Jefferson County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2009, as listed in the table of contents. These special-purpose financial statements are the responsibility of management of the Property Appraiser. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, the Property Appraiser's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Property Appraiser. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General, State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Property Appraiser.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Property Appraiser as of September 30, 2009, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable Angela C. Gray  
Property Appraiser of Jefferson County  
Monticello, Florida

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2009, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Car, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 6, 2009

## **Special-Purpose Financial Statements**

**Jefferson County, Florida**  
**Property Appraiser**  
**Special-Purpose Balance Sheet**  
**Governmental Funds**

*September 30, 2009*

|                                       | General<br>Fund |
|---------------------------------------|-----------------|
| <b>Assets</b>                         |                 |
| Cash                                  | \$ -            |
| Total assets                          | \$ -            |
| <b>Liabilities</b>                    |                 |
| Accounts payable and accrued expenses | \$ -            |
| Due to Board of County Commissioners  | -               |
| Total liabilities                     | -               |
| <b>Fund balance</b>                   | -               |
| Total liabilities and fund balance    | \$ -            |

See accompanying notes to financial statements.

**Jefferson County**  
**Property Appraiser**  
**Special-Purpose Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2009*

|  | General<br>Fund  |
|--|------------------|
| <b>Revenues</b>  |                  |
| Charges for services   | \$ 10,609        |
| Investment earnings  | 98               |
| <b>Total revenues</b>  | <b>10,707</b>    |
| <b>Expenditures</b>  |                  |
| General government   |                  |
| Personal services  | 315,242          |
| Operating expenses   | 127,797          |
| Capital outlay   | 4,958            |
| <b>Total expenditures</b>  | <b>447,997</b>   |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>(437,290)</b> |
| <b>Other financing sources (uses)</b>                            |                  |
| Transfers in   | 449,775          |
| Transfers out  | (12,485)         |
| <b>Net other financing sources (uses)</b>                        | <b>437,290</b>   |
| <b>Net change in fund balance</b>                                | <b>-</b>         |
| <b>Fund balance - beginning</b>                                  | <b>-</b>         |
| <b>Fund balance - ending</b>                                     | <b>\$ -</b>      |

See accompanying notes to financial statements.

Jefferson County  
Property Appraiser  
Special-Purpose Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
General Fund

*For the year ended September 30, 2009*

|   | Original<br>Budget | Final<br>Budget | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|---|---|
| <b>Expenditures</b>                                       |                    |                 |   |   |
| General government  |                    |                 |   |   |
| Personal services   | \$ 311,885         | \$ 314,384      | \$ 315,242                                | \$ (858)  |
| Operating expenses  | 131,708            | 126,204         | 127,699                                   | (1,495)   |
| Capital outlay  | 6,000              | 9,187           | 4,958                                     | 4,229   |
| Total expenditures  | 449,593            | 449,775         | 447,899                                   | 1,876   |
| Excess (deficiency) of revenues over (under) expenditures | (449,593)          | (449,775)       | (447,899)                                 | 1,876   |
| <b>Other financing sources (uses)</b>                     |                    |                 |   |   |
| Transfer in   | 449,593            | 449,775         | 449,775                                   | -   |
| Transfer out  | -                  | -               | (1,876)                                   | (1,876)   |
| Net other financing sources (uses)                        | 449,593            | 449,775         | 447,899                                   | (1,876)   |
| <b>Net change in fund balance</b>                         | \$ -               | \$ -            | \$ -                                      | \$ -  |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Property Appraiser**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board.

***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 accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jefferson County Property Appraiser's Office.

The Jefferson County, Property Appraiser (the "Property Appraiser") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Property Appraiser's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jefferson County, Florida taken as a whole.

Entity status for financial reporting purposes is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Property Appraiser's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is reported as part of the primary government of Jefferson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Property Appraiser.



**Jefferson County, Florida**  
**Property Appraiser**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The operations of the Property Appraiser are funded by the Board. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board after the end of the fiscal year.

***Basis of Presentation***

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Property Appraiser, were prepared in conformity with generally accepted accounting principles in the United States of America.

In preparing these financial statements, the following is reported as a major governmental fund:

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

***Measurement Focus***

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

***Basis of Accounting***

Basis of accounting refers to the point at which revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

**Jefferson County, Florida**  
**Property Appraiser**  
**Notes to Special-Purpose Financial Statements**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

When both restricted and unrestricted resources are available for use, it is the Property Appraiser's policy to use restricted resources first, then unrestricted resources as needed.

***Budgetary Requirements***

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes Chapter 195.087. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments, approved by the Florida Department of Revenue and Board of County Commissioners. On or before June 1 of each year, the Property Appraiser shall submit to the Department of Revenue a budget for the operation of her office for the ensuing fiscal year. The Department of Revenue and Board of County Commissioners must approve the final budget.

The actual results of operations in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund are presented on a budgetary basis for budgetary accounting purposes. The Property Appraiser only budgeted revenue and expenditures appropriated by the Board of County Commissioners. Adjustments to convert the results of operation of the general fund at the end of the year from the budgetary basis of accounting to the GAAP basis of accounting are as follows:

|  | <b>Total<br/>Expenditures</b> | <b>Total<br/>Revenue</b> |
|--|-------------------------------|--------------------------|
| GAAP basis   | \$ 460,482                    | \$ 460,482               |
| Non-budgeted revenues and expenditures:  |                               |                          |
| Revenues other than appropriations from the<br>Board of County Commissioners and<br>related expenditures | (10,707)                      | (10,707)                 |
| Budgetary basis  | \$ 449,775                    | \$ 449,775               |

***Cash***

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

***Capital Assets and Depreciation***

Tangible personal property is recorded as expenditures in the governmental fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser's assets are reported in the statement of net assets in the County's financial statements. The Property Appraiser maintains custodial responsibility for the capital assets used by her office.

Estimated useful lives, in years, for depreciable assets are as follows:

|                                     |            |
|-------------------------------------|------------|
| Furniture, machinery, and equipment | 3-30 years |
|-------------------------------------|------------|

**Jefferson County, Florida**  
**Property Appraiser**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Accumulated Compensated Absences***

Permanent full-time employees of the Property Appraiser are entitled to accrue sick leave and vacation time related to the length of employment with the Property Appraiser's office. The vacation time must be taken during the calendar year earned. Upon separation from employment, employees can be paid for unused sick leave and annual leave in accordance with personnel policy.

The Property Appraiser's accumulated compensated absences are reported in the statement of net assets in the County's financial statements.

***Risk Management and Insurance***

The Property Appraiser is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with general accepted accounting principles requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At September 30, 2009, the carrying amount of the Property Appraiser's cash and cash equivalents was \$- and the bank balance was \$31,885 balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

**Jefferson County, Florida**  
**Property Appraiser**  
**Notes to Special-Purpose Financial Statements**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Florida Statutes authorize the Property Appraiser certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Property Appraiser to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

***Credit Risk***

At September 30, 2009, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

***Interest Rate Risk***

At September 30, 2009, the Property Appraiser did not hold any investments.

***Custodial Credit Risk***

At September 30, 2009, the Property Appraiser did not hold any deposits or investments that were considered to have custodial risk.

***Concentration of Credit Risk***

At September 30, 2009, the Property Appraiser did not hold any investments.

**NOTE 3 - LONG-TERM LIABILITIES**

The Property Appraiser's long-term liabilities are reported in the statement of net assets in the County's financial statements.

Liability activity for the year ended September 30, 2009, was as follows:

|                                     | BEGINNING<br>BALANCE,<br>AS<br>RESTATED |               | ADDITIONS |              | REDUCTIONS |          | ENDING<br>BALANCE | DUE<br>WITHIN<br>ONE<br>YEAR |          |
|-------------------------------------|---|---------------|-----------|--------------|------------|----------|-------------------|------------------------------|----------|
| <b>Governmental<br/>activities:</b> |   |               |           |              |            |          |                   |                              |          |
| Compensated<br>absences             | \$                                      | 14,383        | \$        | 1,598        | \$         | -        | \$ 15,981         | \$                           | -        |
| <b>Total</b>                        | <b>\$</b>                               | <b>14,383</b> | <b>\$</b> | <b>1,598</b> | <b>\$</b>  | <b>-</b> | <b>\$ 15,981</b>  | <b>\$</b>                    | <b>-</b> |

**Jefferson County, Florida**  
**Property Appraiser**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 3 - LONG-TERM LIABILITIES (CONTINUED)**

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Property Appraiser's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

**NOTE 4 - EMPLOYEE BENEFITS**

In accordance with Florida law, the Property Appraiser participates in the Florida Retirement System (FRS) a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

The System provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Retirement coverage is employee noncontributory. The employer pays all contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

|                                 |   |
|---------------------------------|---|
|                                 | <b>10/01/08<br/>Through<br/><u>09/30/09</u></b> |
| Regular employees               | 9.85%   |
| Elected county officials' class | 16.53%  |

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2008 through September 30, 2009, the total payroll for the Property Appraiser's employees covered by the System was \$239,170. The retirement contributions for all employees covered by the FRS for the years ended September 2009, 2008 and 2007 were \$29,361, \$29,623 and \$31,124 which were the required contributions. For the year ended September 30, 2009 retirement contributions represent 12.28% of covered payroll.

**Jefferson County, Florida**  
**Property Appraiser**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 5 - EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the County general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were returned to the Board of County Commissioners as required by Florida Statutes. The Property Appraiser returned all excess funds as required by Florida Statutes.

## **Supplementary Information**



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

To the Honorable Angela C. Gray  
Property Appraiser of Jefferson County, Florida  
Monticello, Florida

We have audited the special-purpose financial statements of the Jefferson County, Florida, Property Appraiser (the "Property Appraiser") as of and for the year ended September 30, 2009, and have issued our report thereon dated November 6, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Property Appraiser's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Jefferson County, Property Appraiser's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Jefferson County, Property Appraiser's financial statements that is more than inconsequential will not be prevented or detected by Jefferson County, Property Appraiser's internal control. We consider the following deficiency described below to be a significant deficiency in internal control over financial reporting:



To the Honorable Angela C. Gray  
Property Appraiser of Jefferson County, Florida  
Monticello, Florida

## **PRIOR YEAR FINDING AND RECOMMENDATION**

### **Need for Segregation of Duties**

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. At a minimum, we recommend the Property Appraiser receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

### **Preparation of GAAP-based Financial Statements**

COMMENT: The Property Appraiser has a capable individual providing bookkeeping services; however the Property Appraiser does not have an individual on staff with the accounting education and experience to prepare financial statements in accordance with generally accepted accounting principles (GAAP). Management relies on Carr, Riggs and Ingram to prepare their annual financial statements including the note disclosures.

RECOMMENDATION: We understand that the cost-benefit of hiring someone with this expertise is not practical, therefore; we recommend the Property Appraiser continue to request outside assistance when preparing annual financial statements.

STATUS: This condition continues to exist.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Jefferson County, Property Appraiser's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We consider the significant deficiencies as described above to be a material weakness in internal control over financial reporting.

To the Honorable Angela C. Gray  
Property Appraiser of Jefferson County, Florida  
Monticello, Florida

### **Compliance and Other Matters**

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

Jefferson County, Property Appraiser's response to the findings identified in our audit is described in the accompanying letter. We did not audit Jefferson County, Property Appraiser's response and, accordingly, we express no opinion on it.

The report is intended for the information of the Jefferson County, Florida, Property Appraiser, the Board of County Commissioners, and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Cam, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 6, 2009

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Angela C. Gray  
Property Appraiser of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying financial statements of the Jefferson County, Florida, Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2009, and have issued our report thereon dated November 6, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 6, 2009. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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 unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information.

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have not been taken to address significant findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Jefferson County, Florida, Property Appraiser complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

To the Honorable Angela C. Gray  
Property Appraiser of Jefferson County, Florida  
Monticello, Florida

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statements amounts that is less than material, but, more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statements amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, and defalcations and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This item was disclosed in the notes to the financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of the Jefferson County, Florida, Property Appraiser, the Board of County Commissioners, the Florida Auditor General and appropriate federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Cam, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 6, 2009



Jefferson County  
Office Of The Property Appraiser  
Angela Gray, Property Appraiser

November 6, 2009

Mr. David W. Martin  
Auditor General, State of Florida  
111 West Madison Street  
Tallahassee, FL 32399

Re: 2008-2009 Audit

Dear Mr. Martin,

This is in reply to our auditor's findings and recommendations contained in my audit report for the year ended September 30, 2009. Please be advised that although I agree with the auditor's findings and recommendations, the cost/benefit ratio is far too costly for this office to hire additional personnel to accomplish adequate segregation of duties and to prepare financial statements on our own. Accordingly, I will continue to utilize the current procedures regarding review of unopened bank statements each month and will continue to utilize Carr, Riggs & Ingram to prepare financial statements each year.

Respectfully,

  
Angela Gray,  
Property Appraiser

480 W. Walnut Street, P.O. Box 63, Monticello, FL 32345  
Phone (850) 997-3356 jeffersonpa.net Fax (850) 997-0988

**Jefferson County, Florida  
Sheriff**

**Special-Purpose Financial Statements**

**September 30, 2009**

**Jefferson County, Florida**  
**Sheriff**  
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**September 30, 2009**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable David C. Hobbs  
Sheriff of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying special-purpose financial statements of the Jefferson County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2009, as listed in the table of contents. These special-purpose financial statements are the responsibility of management of the Sheriff. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, the Sheriff's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Sheriff. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the fiduciary fund type of the Sheriff as of September 30, 2009, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



To the Honorable David C. Hobbs  
Sheriff of Jefferson County, Florida  
Monticello, Florida

In accordance with *Government Auditing Standards*, we have also issued a report dated January 14, 2010, on our consideration of the Sheriff's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Cam, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
January 14, 2010

## **Special-Purpose Financial Statements**

**Jefferson County, Florida**  
**Sheriff**  
**Special-Purpose Balance Sheet**  
**Governmental Fund**

*September 30, 2009*

|  | General<br>Fund |
|--|-----------------|
| <b>Assets</b>                              |                 |
| Cash                                       | \$ 1,274        |
| <b>Total assets</b>                        | <b>\$ 1,274</b> |
| <b>Liabilities</b>                         |                 |
| Due to others                              | \$ 1,274        |
| <b>Total liabilities</b>                   | <b>1,274</b>    |
| <b>Fund balances</b>                       |                 |
| Designated                                 | -               |
| <b>Total liabilities and fund balances</b> | <b>\$ 1,274</b> |

See accompanying notes to financial statements.

Jefferson County, Florida  
**Sheriff**  
Special-Purpose Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Governmental Fund

*For the year ended September 30, 2009*

|   | General<br>Fund |
|---|-----------------|
| <b>Revenues</b>   |                 |
| Grants  | \$ 40,608       |
| Total revenues  | 40,608          |
| <b>Expenditures</b>                                       |                 |
| Current:  |                 |
| Public safety and health - Personal services              | 2,532,844       |
| Public safety and health - Operating expenses             | 478,785         |
| Capital outlay  | 93,873          |
| Total expenditures  | 3,105,502       |
| Excess (deficiency) of revenues over (under) expenditures | (3,064,894)     |
| <b>Other financing sources (uses)</b>                     |                 |
| Transfers in  | 3,065,000       |
| Transfers out   | (106)           |
| Net other financing sources (uses)                        | 3,064,894       |
| <b>Net change in fund balance</b>                         | -               |
| <b>Fund balance - beginning</b>                           | -               |
| <b>Fund balance - ending</b>                              | \$ -            |

See accompanying notes to financial statements.

Jefferson County, Florida  
**Sheriff**  
**Special-Purpose Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance-Budget and Actual**  
**General Fund**

*For the year ended September 30, 2009*

|   | Original<br>Budget | Final<br>Budget | Actual<br>Amounts<br>(Budgetary<br>Basis) | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|---|---|
| <b>Revenues</b>   |                    |                 |   |   |
| Intergovernmental   | \$ -               | \$ 40,608       | \$ 40,608                                 | \$ -  |
| Total revenues  | -                  | 40,608          | 40,608                                    | -   |
| <b>Expenditures</b>                                       |                    |                 |   |   |
| Current:  |                    |                 |   |   |
| Public safety and health - Personal services              | 2,511,755          | 2,552,363       | 2,532,844                                 | 19,519  |
| Public safety and health - Operating expenses             | 475,745            | 475,745         | 478,785                                   | (3,040)   |
| Capital outlay  | 77,500             | 77,500          | 93,873                                    | (16,373)  |
| Total expenditures  | 3,065,000          | 3,105,608       | 3,105,502                                 | 106   |
| Excess (deficiency) of revenues over (under) expenditures | (3,065,000)        | (3,065,000)     | (3,064,894)                               | 106   |
| <b>Other financing sources (uses)</b>                     |                    |                 |   |   |
| Transfers in  | 3,065,000          | 3,065,000       | 3,065,000                                 | -   |
| Transfers out   | -                  | -               | (106)                                     | (106)   |
| Total other financing sources                             | 3,065,000          | 3,065,000       | 3,064,894                                 | (106)   |
| <b>Net change in fund balance</b>                         | <b>\$ -</b>        | <b>\$ -</b>     | <b>\$ -</b>                               | <b>\$ -</b>   |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Sheriff**  
**Special-Purpose Statement of Fiduciary Net Assets**  
**Agency Funds**

*September 30, 2009*

|                    |    | <b>Agency Funds</b> |
|--------------------|----|---------------------|
| <hr/>              |    |                     |
| <b>Assets</b>      |    |                     |
| Cash               | \$ | 170,094             |
| <hr/>              |    |                     |
| Total assets       | \$ | 170,094             |
| <hr/>              |    |                     |
| <b>Liabilities</b> |    |                     |
| Due to others      | \$ | 170,094             |
| <hr/>              |    |                     |
| Total liabilities  | \$ | 170,094             |
| <hr/>              |    |                     |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Sheriff**  
**Notes to Special-Purpose Financial Statements**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these special-purpose financial statements.

***Reporting Entity***

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

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

The accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jefferson County Sheriff's Office.

The Jefferson County, Florida, Sheriff (the "Sheriff") is a separately elected County official established pursuant to the Constitution of the State of Florida. The Sheriff's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jefferson County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Sheriff's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is reported as part of the primary government of Jefferson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General* State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in GASB No. 34, and do not include presentations of *government-wide* financial statements of the Sheriff.

The operations of the Sheriff are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Sheriff's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

**Jefferson County, Florida**  
**Sheriff**  
**Notes to Special-Purpose Financial Statements**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Presentation***

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Sheriff, were prepared in conformity with generally accepted accounting principles in the United States of America.

In preparing these financial statements the following are reported as major governmental funds:

**General Fund** - The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Sheriff that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

The Sheriff also reported the following fund type:

**Agency Funds** - The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

***Measurement Focus***

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

***Basis of Accounting***

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



**Jefferson County, Florida**  
**Sheriff**  
**Notes to Special-Purpose Financial Statements**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Basis of Accounting (Continued)***

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

Major revenue sources susceptible to accrual include: intergovernmental revenues and investment income. In general, charges for services and other revenue are recognized as earned.

The fiduciary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as needed.

***Budgetary Requirements***

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Sheriff's annual budget. The Sheriff establishes an annual balanced budget for his office which displays the revenues available to the office and the functions for which the money is to be expended. 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 basis of accounting.

The Sheriff's annual budgets are 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.

***Cash***

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

**Jefferson County, Florida**  
**Sheriff**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Capital Assets and Depreciation***

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Sheriff are capitalized at cost in the capital asset accounts of the County. The Sheriff maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

|                                     |            |
|-------------------------------------|------------|
| Furniture, machinery, and equipment | 3-30 years |
|-------------------------------------|------------|

***Accumulated Compensated Absences***

Permanent full-time employees of the Sheriff are entitled to earn vacation and sick time depending on the length of employment. Upon separation of employment, employees can be paid up to 80 hours vacation time and 25% of unused sick time.

The Sheriff's accumulated compensated absences are reported in the statement of net assets in the County's financial statements.

***Due to Others***

This account is used to account for assets held by the Sheriff in a trustee capacity for other governmental agencies or individuals.

***Risk Management and Insurance***

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs includes:

- General liability
- Automobiles
- Money and securities coverage

The Sheriff provides for workers' compensation coverage through the Board.

In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$3,500,000 for professional liability and \$3,500,000 for public officials' coverage.

**Jefferson County, Florida**  
**Sheriff**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

***Subsequent Events***

Subsequent events have been evaluated through the date the financial statements were available to be issued.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At September 30, 2009, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash was \$171,368 and the bank balance was \$247,620. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Sheriff to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Sheriff to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

***Credit Risk***

At September 30, 2009, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

***Interest Rate Risk***

At September 30, 2009, the Sheriff did not hold any investments that were considered to have interest rate risk.

***Custodial Credit Risk***

At September 30, 2009, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

**Jefferson County, Florida**  
**Sheriff**  
**Notes to Special-Purpose Financial Statements**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

***Concentration of Credit Risk***

At September 30, 2009, the Sheriff did not hold any investments that were considered to have concentration of credit risk.

**NOTE 3 - LONG-TERM LIABILITIES**

The Sheriff's long-term liabilities activity is reported in the statement of net assets in the County's financial statements.

Long-term liabilities activity for the year ended September 30, 2009, was as follows:

|                                     | BEGINNING<br>BALANCE | ADDITIONS       | REDUCTIONS  | ENDING<br>BALANCE | DUE<br>WITHIN<br>ONE<br>YEAR |
|-------------------------------------|----------------------|-----------------|-------------|-------------------|------------------------------|
| <b>Governmental<br/>activities:</b> |                      |                 |             |                   |                              |
| Compensated<br>absences             | \$ 84,490            | \$ 4,447        | \$ -        | \$ 88,937         | \$ 21,123                    |
| <b>Total</b>                        | <b>\$ 84,490</b>     | <b>\$ 4,447</b> | <b>\$ -</b> | <b>\$ 88,937</b>  | <b>\$ 21,123</b>             |

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensatory time. See Note 1 for a summary of the Sheriff's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

**NOTE 4 - EMPLOYEE PENSION PLAN**

In accordance with Florida Law, the Sheriff participates in the Florida Retirement System (FRS), a cost-sharing, multiple-employer cost sharing defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1650, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

**Jefferson County, Florida**  
**Sheriff**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 4 - EMPLOYEE PENSION PLAN (CONTINUED)**

The System provides vesting benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Retirement coverage is employee noncontributory. The employer pays all contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

|                                 | <b>10/1/08<br/>Through<br/>09/30/09</b> |
|---------------------------------|---|
| Regular employees               | 9.85%                                   |
| Senior management               | 13.12%                                  |
| Elected county officials' class | 16.53%                                  |
| Special risk employees          | 20.92%                                  |
| Drop participants               | 10.91%                                  |

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2008 through September 30, 2009, the total payroll for all employees was \$1,857,141 and the retirement contributions for all employees covered by FRS were \$309,218 which were the required contributions. These contributions represented 16.65% of covered payroll. During the years ended September 30, 2009, 2008 and 2007 the Jefferson County Sheriff contributed \$309,218, \$307,295 and \$273,074, respectively, to the system for covered employees. These contributions represent 100% of the Sheriff's required contributions.

**NOTE 5 - GRANTS**

The Sheriff participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2009, as well as prior years, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Sheriff's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Sheriff expects such amounts, if any, to be immaterial.

**Jefferson County, Florida**  
**Sheriff**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 6 - LITIGATION AND CONTINGENT LIABILITIES**

The Sheriff is involved in various litigation arising from the ordinary course of business. In the opinion of management, after consultation with legal counsel, these matters will be resolved without a material adverse effect on the Sheriff's financial position.

**NOTE 7 - EXCESS REVENUES**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures returned to the Board of County Commissioners as required by Florida Statutes are accrued and reported as a transfer out. The Sheriff's general fund ended the current year with excess funds of \$106.

## **Supplementary Information**

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

To the Honorable David C. Hobbs  
Sheriff of Jefferson County, Florida  
Monticello, Florida

We have audited the special-purpose financial statements of the Jefferson County, Florida, Sheriff (the "Sheriff") as of and for the year ended September 30, 2009, and have issued our report thereon dated January 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Sheriff's internal control. We consider the following deficiencies to be a significant deficiency in internal control over financial reporting:



To the Honorable David C. Hobbs  
Sheriff of Jefferson County, Florida  
Monticello, Florida

## **PRIOR YEAR COMMENT**

### **Need for Segregation of Duties**

**COMMENT:** Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

**RECOMMENDATION:** We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. At a minimum, we recommend the Sheriff receive and review the unopened bank statements each month.

**STATUS:** This condition continues to exist.

### **Preparation of GAAP-based Financial Statements**

**COMMENT:** The Sheriff has a capable individual providing bookkeeping services; however the Sheriff does not have an individual on staff with the accounting education and experience to prepare financial statements in accordance with generally accepted accounting principles (GAAP). Management relies on Carr, Riggs and Ingram to prepare their annual financial statements including the note disclosures.

**RECOMMENDATION:** We understand that the cost-benefit of hiring someone with this expertise is not practical, therefore; we recommend the Sheriff continue to request outside assistance when preparing annual financial statements.

**STATUS:** This condition continues to exist.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sheriff's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We do not consider the significant deficiencies as described above to be a material weakness in internal control over financial reporting.

To the Honorable David C. Hobbs  
Sheriff of Jefferson County, Florida  
Monticello, Florida

### **Compliance and Other Matters**

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

The Sheriff's response to the findings identified in our audit is described in the accompanying letter. We did not audit the Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Jefferson County, Florida, Sheriff and the Board of County Commissioners, and the State of Florida Office of the Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Car, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
January 14, 2010

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable David C. Hobbs  
Sheriff of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying financial statements of the Jefferson County, Sheriff (the Sheriff), as of and for the year ended September 30, 2009, and have issued our report thereon dated January 14, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated January 14, 2010. Disclosures in that report, if any, should be considered in conjunction with this management letter.

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 unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information.

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. See the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Jefferson County, Florida, Sheriff complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material, but, more than inconsequential. In connection with our audit, we did not have any such findings.

To the Honorable David C. Hobbs  
Sheriff of Jefferson County, Florida  
Monticello, Florida

- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, and defalcations and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Jefferson County, Florida, Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jefferson County, Florida, Sheriff.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America requires us to indicate that this letter is intended solely for the information and use of the Jefferson County, Florida Sheriff, the Board of County Commissioners and the Florida Auditor General and appropriate federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Cam, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
January 14, 2010

# Sheriff



Area Code: (850)  
Office Phone: 997-2523  
Office Fax: 997-0756  
Jail Phone: 997-2023

DAVID C. HOBBS — JEFFERSON COUNTY  
171 INDUSTRIAL PARK  
MONTICELLO, FLORIDA 32344

January 14, 2010

Mr. David W. Martin  
Auditor General, State of Florida  
111 West Madison Street  
Tallahassee, Florida 32399

Re: 2008-2009 Audit

Dear Mr. Martin,

This is in reply to our auditor's findings and recommendations contained in my audit report for the year ended September 30, 2009. Please be advised that although I agree with the auditor's findings and recommendations, the cost/benefit ratio is far too costly for this office to hire additional personnel to accomplish adequate segregation of duties and to prepare financial statements on our own. Accordingly, I will continue to utilize the current procedures regarding review of unopened bank statements each month and will continue to utilize Carr, Riggs & Ingram to prepare financial statements each year.

Respectfully,

David C. Hobbs,  
Sheriff

**Jefferson County, Florida  
Supervisor of Elections  
Special-Purpose Financial Statements  
September 30, 2009**

**Jefferson County, Florida**  
**Supervisor of Elections**  
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**September 30, 2009**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Marty Bishop  
Supervisor of Elections of Jefferson County, Florida  
Monticello, Florida

We have audited the accompanying special-purpose financial statements of The Jefferson County, Florida Supervisor of Elections, as of and for the year ended September 30, 2009, as listed in the table of contents. These special-purpose financial statements are the responsibility of management of the Supervisor of Elections. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, the Supervisor of Elections financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Supervisor of Elections. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General*, State of Florida, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Supervisor of Elections.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and remaining fund information as well as the fiduciary fund type of the Supervisor of Elections as of September 30, 2009, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



To the Honorable Marty Bishop  
Supervisor of Elections of Jefferson County, Florida  
Monticello, Florida

In accordance with *Government Auditing Standards*, we have also issued a report dated November 4, 2009 on our consideration of the Supervisor of Elections' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Carr, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 4, 2009

## **Special-Purpose Financial Statements**

**Jefferson County**  
**Supervisor of Elections**  
**Special-Purpose Balance Sheet**  
**Governmental Fund**

*September 30, 2009*

|                                       | <b>General<br/>Fund</b> |
|---------------------------------------|-------------------------|
| <hr/>                                 |                         |
| <b>Assets</b>                         |                         |
| Cash and cash equivalents             | \$ 6,516                |
| Total assets                          | \$ 6,516                |
| <hr/>                                 |                         |
| <b>Liabilities</b>                    |                         |
| Accounts payable and accrued expenses | \$ 303                  |
| Due to Board of County Commissioners  | 2,378                   |
| Deferred revenue                      | 3,835                   |
| Total liabilities                     | 6,516                   |
| <hr/>                                 |                         |
| <b>Fund balance</b>                   | -                       |
| Total liabilities and fund balance    | \$ 6,516                |
| <hr/>                                 |                         |

See accompanying notes to financial statements.

**Jefferson County**  
**Supervisor of Elections**  
**Special-Purpose Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2009*

|   | General<br>Fund |
|---|-----------------|
| <b>Revenues</b>   |                 |
| Investment earnings                                       | \$ 95           |
| Other fees and miscellaneous revenue                      | 230             |
| <b>Total revenues</b>                                     | <b>325</b>      |
| <b>Expenditures</b>                                       |                 |
| General government  |                 |
| Personal services   | 127,775         |
| Operating expenses  | 80,118          |
| <b>Total expenditures</b>                                 | <b>207,893</b>  |
| Excess (deficiency) of revenues over (under) expenditures | (207,568)       |
| <b>Other financing sources (uses)</b>                     |                 |
| Transfers in  | 209,946         |
| Transfers out   | (2,378)         |
| <b>Net other financing sources (uses)</b>                 | <b>207,568</b>  |
| <b>Net change in fund balances</b>                        | <b>-</b>        |
| <b>Fund balance, beginning</b>                            | <b>-</b>        |
| <b>Fund balance, ending</b>                               | <b>\$ -</b>     |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Supervisor of Elections**  
**Special-Purpose Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**General Fund**

*For the year ended September 30, 2009*

|   | Original<br>Budget | Final<br>Budget | Actual<br>Amounts | Variance with<br>Fund Budget<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|-------------------|--|
| <b>Revenues</b>   |                    |                 |                   |  |
| Investment earnings                                       | \$ -               | \$ -            | \$ 95             | \$ 95  |
| Other fees and miscellaneous revenue                      | -                  | -               | 230               | 230  |
| Total revenues  | -                  | -               | 325               | 325  |
| <b>Expenditures</b>                                       |                    |                 |                   |  |
| General government  |                    |                 |                   |  |
| Personal services   | 128,356            | 128,356         | 127,775           | 581  |
| Operating expenses  | 81,590             | 81,590          | 80,118            | 1,472  |
| Total expenditures  | 209,946            | 209,946         | 207,893           | 2,053  |
| Excess (deficiency) of revenues over (under) expenditures | (209,946)          | (209,946)       | (207,568)         | 2,378  |
| <b>Other financing sources (uses)</b>                     |                    |                 |                   |  |
| Transfer in   | 209,946            | 209,946         | 209,946           | -  |
| Transfer out  | -                  | -               | (2,378)           | (2,378)  |
| Net other financing sources (uses)                        | 209,946            | 209,946         | 207,568           | (2,378)  |
| <b>Net change in fund balance</b>                         | <b>\$ -</b>        | <b>\$ -</b>     | <b>\$ -</b>       | <b>\$ -</b>  |

See accompanying note to financial statements.

**Jefferson County, Florida**  
**Supervisor of Elections**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 accounting policies and the presentation of these financial statements have been designed to conform to generally accepted accounting principles as applicable to governmental units in accordance with the Governmental Accounting Standards Board. The following is a summary of significant accounting principles and policies used in the preparation of these special-purpose financial statements.

The Jefferson County Supervisor of Elections (the "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 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 accompanying financial statements present the financial position and results of operations of the various fund types for all the funds controlled by the Jefferson County Supervisor's Office.

The Supervisor is a separately elected County official established pursuant to the Constitution of the State of Florida. The Supervisor's special-purpose financial statements do not purport to reflect the financial position or the results of operations of Jefferson County, Florida taken as a whole.

Entity status for financial reporting is governed by Statement No. 14 of the Governmental Accounting Standards Board (GASB). Although the Supervisor's office is operationally autonomous from the Board of County Commissioners ("the Board"), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor is reported as part of the primary government of Jefferson County, Florida.

These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the special-purpose financial statements consist of only the fund level financial statements as defined in GASB No. 34, and do not include presentations of government-wide financial statements of the Supervisor.

The operations of the Supervisor are primarily funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

**Jefferson County, Florida**  
**Supervisor of Elections**  
**Notes to Special-Purpose Financial Statements**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida. The basic financial statements for the County as a whole, which includes the funds of the Supervisor, were prepared in conformity with generally accepted accounting principles in the United States of America.

In preparing these financial statements the following are reported as major governmental funds:

**General Fund** - The General Fund is used to account for all revenue and expenditures applicable to the general operations of the Supervisor that are not required either legally or by generally accepted accounting principles to be accounted for in another fund.

**Measurement Focus**

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

**Basis of Accounting**

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. The major modifications to the accrual basis are: (a) revenues are recorded in the accounting period in which they become available and measurable (available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days for all revenue) (b) expenditures are recorded in the accounting period in which the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

**Jefferson County, Florida**  
**Supervisor of Elections**  
**Notes to Special-Purpose Financial Statements**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash**

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

**Capital Assets and Depreciation**

Tangible personal property is recorded as expenditures in the governmental fund types at the time an asset is acquired. Assets acquired by the Supervisor are capitalized at cost in the capital asset accounts of the County. The Supervisor maintains custodial responsibility for the capital assets used by his office.

Estimated useful lives, in years, for depreciable assets are as follows:

|                                     |            |
|-------------------------------------|------------|
| Furniture, machinery, and equipment | 3-30 years |
|-------------------------------------|------------|

**Budgetary Requirements**

Florida Statutes, Chapter 129 details the preparation, adoption and administration of the Supervisor's annual budget. The Supervisor establishes an annual balanced budget for the office which displays the revenues available to the office and the functions for which the money is to be expended. The budgeted revenues and expenditures in the accompanying financial statements reflect all amendments approved by the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles.

**Risk Management and Insurance**

The Supervisor participates in the insurance coverage provided by the Board of County Commissioners, which includes the following:

- General Liability
- Automobiles
- Money and Securities Coverage
- Workers' compensation

**Management Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.



**Jefferson County, Florida**  
**Supervisor of Elections**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 2 – DEPOSITS AND INVESTMENTS**

At September 30, 2009, the carrying amount of the Supervisor's cash and cash equivalents and restricted cash was \$6,516 and the bank balance was \$11,743. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Supervisor to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Supervisor to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**CREDIT RISK**

At September 30, 2009, the Supervisor did not hold any deposits or investments that were considered to have credit risk.

**INTEREST RATE RISK**

At September 30, 2009, the Supervisor did not hold any investments that were considered to have interest rate risk.

**CUSTODIAL CREDIT RISK**

At September 30, 2009, the Supervisor did not hold any deposits or investments that were considered to have custodial credit risk.

**CONCENTRATION OF CREDIT RISK**

At September 30, 2009, the Supervisor did not hold any investments that were considered to have concentration of credit risk.

**Jefferson County, Florida**  
**Supervisor of Elections**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 3 – EMPLOYEE PENSION PLAN**

In accordance with Florida Law, the Supervisor participates in the Florida Retirement System (FRS), a multiple-employer cost sharing defined benefit public retirement system administered by the State of Florida, Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting the State of Florida Division of Retirement, Tallahassee, Florida 32399-1650, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

The System provides vesting benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Retirement coverage is employee noncontributory. The employer pays all contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature.

The rates, as a percentage of gross earnings, are as follows:

|                                 |  |
|---------------------------------|--|
|                                 | <b>10/01/08<br/>Through<br/>09/30/09</b> |
| Regular employees               | 9.85%                                    |
| Elected county officials' class | 16.53%                                   |

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2008 through September 30, 2009, the total payroll for the Supervisor's employees covered by the System was \$105,803. The retirement contributions for all employees covered by the FRS for the years ended September 2009, 2008 and 2007 were \$15,563, \$15,662 and \$15,433 which were the required contributions. For the year ended September 30, 2009 retirement contributions represent 14.71% of covered payroll.

**Jefferson County, Florida**  
**Supervisor of Elections**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 4 – EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, each County Officer shall pay into the county general fund all money in excess of the sum to which he or she is entitled under the provisions of Chapter 145. Excess revenues over expenditures were returned to the Board of County Commissioners as required by Florida Statutes. The Supervisor returned all excess funds as required by Florida Statutes.

**NOTE 5 – GRANTS**

The Supervisor participates in two state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended September 30, 2009, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Supervisor's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined, although the Supervisor expects such amounts, if any, to be immaterial.

## **Supplementary Information**

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

To the Honorable Marty Bishop,  
Supervisor of Elections of Jefferson County, Florida  
Monticello, Florida

We have audited the combined financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Supervisor of Elections of Jefferson County, Florida, as of and for the year ended September 30, 2009, and have issued our report thereon dated November 4, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Supervisor of Elections of Jefferson County, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Supervisor's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Supervisor's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Supervisor's financial statements that is more than inconsequential will not be prevented or detected by the Supervisor's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Supervisor's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting:

To the Honorable Marty Bishop,  
Supervisor of Elections of Jefferson County, Florida  
Monticello, Florida

**CURRENT YEAR FINDING: Need for Segregation of Duties**

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to.

STATUS: This condition continues to exist.

**CURRENT YEAR FINDING: Preparation of GAAP-based Financial Statements**

COMMENT: The Supervisor has a capable individual providing bookkeeping services; however the Supervisor does not have an individual on staff with the accounting education and experience to prepare financial statements in accordance with generally accepted accounting principles (GAAP). Management relies on Carr, Riggs and Ingram to prepare their annual financial statements including the note disclosures.

RECOMMENDATION: We understand that the cost-benefit of hiring someone with this expertise is not practical, therefore; we recommend the Supervisor continue to request outside assistance when preparing annual financial statements.

STATUS: This condition continues to exist.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We do not consider the segregation of duties as described above to be a material weakness in internal control over financial reporting.

**Compliance and Other Matters**

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

To the Honorable Marty Bishop,  
Supervisor of Elections of Jefferson County, Florida  
Monticello, Florida

The Supervisor's response to the findings identified in our audit is described in the accompanying letter. We did not audit the Supervisor's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Supervisor of Elections, Board of County Commissioners and the State Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Cam, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 4, 2009

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Marty Bishop,  
Supervisor of Elections of Jefferson County, Florida  
Monticello, 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, 2009, and have issued our report thereon dated November 4, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated November 4, 2009, if any, should be considered in conjunction with this management letter.

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. This letter includes the following information, which is not included in the aforementioned auditors' reports:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Corrective actions have not been taken to address significant findings and recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Jefferson County, Florida, Supervisor of Elections complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.



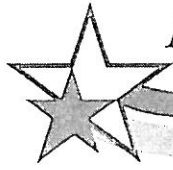
To the Honorable Marty Bishop,  
Supervisor of Elections of Jefferson County, Florida  
Monticello, Florida

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material, but, more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, and defalcations and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This item was disclosed in the notes to the financial statements.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Jefferson County, Florida, Supervisor of Elections, the Board of County Commissioners, the Florida Auditor General and appropriate federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Car, Riggs & Ingram, L.L.C.*

Tallahassee, Florida  
November 4, 2009



*Marty Bishop*

*Jefferson County  
Supervisor of Elections*

*380 West Dogwood Street • Monticello, Florida 32344 • (850) 997-3348 • Fax: (850) 997-6958 • E-mail: soejeffersonco@aol.com*

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November 10, 2009

Mr. David W. Martin  
Auditor General, State of Florida  
111 West Madison Street  
Tallahassee, Florida 32399

Re: 2008-2009 Audit

Dear Mr. Martin,

This is in reply to our auditor's findings and recommendations contained in my audit report for the year ended September 30, 2009. Please be advised that although I agree with the auditor's findings and recommendations, the cost/benefit ratio is far too costly for this office to hire additional personnel to accomplish adequate segregation of duties and to prepare financial statements on our own. Accordingly, I will continue to utilize the current procedures regarding review of unopened bank statements each month and will continue to utilize Carr, Riggs & Ingram to prepare financial statements each year.

Respectfully,

Marty Bishop,  
Supervisor of Elections

**Jefferson County, Florida  
Tax Collector**

**Special-Purpose Financial Statements**

**September 30, 2009**

**Jefferson County, Florida**  
**Tax Collector**  
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**September 30, 2009**

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## INDEPENDENT AUDITORS' REPORT

The Honorable Lois H. Hunter, Tax Collector  
The County of Jefferson, Florida  
Monticello, Florida

We have audited the accompanying special-purpose financial statements of the Jefferson County, Florida Tax Collector, as of September 30, 2009, as listed in the table of contents. These special-purpose financial statements are the responsibility of Jefferson County, Florida Tax Collector. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

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

As discussed in Note 1 to the financial statements, the Tax Collector's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Tax Collector. These special-purpose financial statements are not intended to be a complete presentation of the financial position and results of operations of Jefferson County, Florida, taken as a whole. As permitted by Chapter 10.556(4), *Rules of the Auditor General, State of Florida*, the special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of *government-wide* financial statements of the Tax Collector.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities as well as the fiduciary fund type of the Jefferson County, Florida Tax Collector, as of September 30, 2009, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Honorable Lois H. Hunter, Tax Collector  
The County of Jefferson, Florida  
Monticello, Florida

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 2009 on our consideration of The Jefferson County, Florida Tax Collector's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Car, Riggs & Ingram, L.L.C.*

November 25, 2009

## **Special-Purpose Financial Statements**

**Jefferson County, Florida**  
**Tax Collector**  
**Special-Purpose Balance Sheet**  
**Governmental Fund**

*September 30, 2009*

|                                      | <b>General<br/>Fund</b> |
|--------------------------------------|-------------------------|
| <b>Assets</b>                        |                         |
| Cash                                 | \$ 46,689               |
| Total assets                         | \$ 46,689               |
| <b>Liabilities</b>                   |                         |
| Due to Board of County Commissioners | \$ 46,689               |
| Total liabilities                    | 46,689                  |
| <b>Fund balance</b>                  | -                       |
| Total liabilities and fund balance   | \$ 46,689               |

See accompanying notes to financial statements.



**Jefferson County, Florida**  
**Tax Collector**  
**Special-Purpose Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Governmental Fund**

*For the year ended September 30, 2009*

|   | <b>General<br/>Fund</b> |
|---|-------------------------|
| <b>Expenditures</b>                                       |                         |
| General government  |                         |
| Personal services   | \$ 290,526              |
| Operating expenses  | 99,623                  |
| <b>Total expenditures</b>                                 | <b>390,149</b>          |
| Excess (deficiency) of revenues over (under) expenditures | (390,149)               |
| <b>Other financing sources (uses)</b>                     |                         |
| Transfers in  | 436,838                 |
| Transfers out   | (46,689)                |
| <b>Net other financing sources (uses)</b>                 | <b>390,149</b>          |
| <b>Net change in fund balance</b>                         | <b>-</b>                |
| <b>Fund balance - beginning</b>                           | <b>-</b>                |
| <b>Fund balance - ending</b>                              | <b>\$ -</b>             |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Tax Collector**  
**Special-Purpose Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**General Fund**

*For the year ended September 30, 2009*

|   | Original<br>Budget | Final<br>Budget | Actual<br>Amounts | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|--------------------|-----------------|-------------------|---|
| <b>Expenditures</b>                                       |                    |                 |                   |   |
| General government  |                    |                 |                   |   |
| Personal services   | \$ 325,000         | \$ 325,000      | \$ 290,526        | \$ 34,474   |
| Operating expenses  | 111,838            | 111,838         | 99,623            | 12,215  |
| Total expenditures  | 436,838            | 436,838         | 390,149           | 46,689  |
| Excess (deficiency) of revenues over (under) expenditures | (436,838)          | (436,838)       | (390,149)         | 46,689  |
| <b>Other financing sources (uses)</b>                     |                    |                 |                   |   |
| Transfers in  | 436,838            | 436,838         | 436,838           | -   |
| Transfers out   | -                  | -               | (46,689)          | (46,689)  |
| Net other financing sources (uses)                        | 436,838            | 436,838         | 390,149           | (46,689)  |
| <b>Net change in fund balance</b>                         | <b>\$ -</b>        | <b>\$ -</b>     | <b>\$ -</b>       | <b>\$ -</b>   |

See accompanying notes to financial statements.

**Jefferson County, Florida**  
**Tax Collector**  
**Special-Purpose Statement of Fiduciary Net Assets**  
**Agency Funds**

*September 30, 2009*

|                          | <b>Agency<br/>Funds</b> |
|--------------------------|-------------------------|
| <hr/>                    |                         |
| <b>Assets</b>            |                         |
| Cash                     | \$ 1,027,130            |
| Total assets             | \$ 1,027,130            |
| <hr/>                    |                         |
| <b>Liabilities</b>       |                         |
| Due to other governments | \$ 1,027,130            |
| Total liabilities        | \$ 1,027,130            |
| <hr/>                    |                         |

See accompanying notes to financial statements

**Jefferson County, Florida**  
**Tax Collector**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

***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, Florida 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 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 other financing sources on the Tax Collector's financial statements. Any excess of revenues and other financing sources received over expenditures is remitted to the Board at year end.

***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:

**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.

**Jefferson County, Florida**  
**Tax Collector**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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.

All governmental fund and agency funds are accounted for using the accrual basis of accounting. Under this method, revenue is recognized when it becomes measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Tax Collector considers revenues to be available if they are collected within sixty (60) days of the end of the fiscal year. Expenditures are generally recognized under the accrual basis of accounting when the related fund liability is incurred.

***Budgetary Requirements***

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with Florida Statutes. An annual budget is adopted for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments to 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.

***Cash***

Cash includes amounts in demand deposits as well as short term investments with a maturity date within three months of the date acquired by the government.

**Jefferson County, Florida**  
**Tax Collector**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Capital Assets and Depreciation***

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.

***Due to Others***

This account is used to account for assets held by the Tax Collector in a trustee capacity for other governmental agencies or individuals.

***Accumulated Compensated Absences***

Permanent full-time employees of the Tax Collector are entitled to accrue sick leave and vacation time related to the length of employment with the Tax Collector's office. Upon separation from employment, employees can be paid for unused sick leave and annual leave in accordance with the personnel policy.

The Tax Collector's accumulated compensated absences are reported in the statement of net assets in the County's financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

***Property Tax Collections***

Chapter 197, Florida Statutes, governs property tax collections.

***Current Taxes***

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2% and 1% are allowed for early payment in November through February, respectively.

***Unpaid Taxes - Sale of Tax Certificates***

The Tax Collector advertises, as required by Florida Statutes, and then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may redeem the certificate by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.

***Tax Deeds***

The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Court administers these sales.

**Jefferson County, Florida**  
**Tax Collector**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Risk Management and Insurance***

The Tax Collector is covered under the Board of County Commissioners insurance policies. The Board insures itself against losses from casualty, accident and dishonesty by purchasing insurance through a local insurance agency. The Board believes the level of insurance purchased is adequate to protect against material loss. No significant changes in coverage or claims have been made during the current year.

***Management Estimates and Assumptions***

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from estimates.

***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.

***Subsequent Events***

Subsequent events have been evaluated through the date the financial statements were available to be issued.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

At September 30, 2009, the carrying amount of the Tax Collector's cash and cash equivalents was \$1,073,819 and the bank balance was \$626,213. The balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Florida Statutes authorize the Tax Collector to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Tax Collector to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

**Jefferson County, Florida**  
**Tax Collector**  
**Notes to Special-Purpose Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

***Credit Risk***

At September 30, 2009, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

***Interest Rate Risk***

At September 30, 2009, the Tax Collector did not hold any investments.

***Custodial Credit Risk***

At September 30, 2009, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

***Concentration of Credit Risk***

At September 30, 2009, the Tax Collector did not hold any investments.

**NOTE 3 – LONG-TERM LIABILITIES**

The Tax Collector's long-term liabilities are reported in the statement of net assets in the County's financial statements.

Long-term liability activity for the year ended September 30, 2009, was as follows:

|                                     | BEGINNING<br>BALANCE | ADDITIONS | REDUCTIONS | ENDING<br>BALANCE | DUE<br>WITHIN<br>ONE<br>YEAR |
|-------------------------------------|----------------------|-----------|------------|-------------------|------------------------------|
| <b>Governmental<br/>activities:</b> |                      |           |            |                   |                              |
| Compensated<br>absences             | \$ 7,831             | \$ 870    | \$ -       | \$ 8,701          | \$ -                         |
| Total                               | \$ 7,831             | \$ 870    | \$ -       | \$ 8,701          | \$ -                         |

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See Note 1 for a summary of the Tax Collector's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.



**Jefferson County, Florida**  
**Tax Collector**  
**Notes to Special-Purpose Financial Statements**

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**NOTE 4 – EMPLOYEE BENEFITS**

In accordance with Florida law, the Tax Collector participates in the Florida Retirement System (FRS) a cost-sharing, multiple employer defined benefit public retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. FRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State of Florida Division of Retirement, Tallahassee, Florida 32399-1560, or by accessing their internet site at [www.frs.state.fl.us/frs/public/annual](http://www.frs.state.fl.us/frs/public/annual).

The System provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Retirement coverage is employee noncontributory. The employer pays all contributions.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

|                                 | <b>10/01/08<br/>Through<br/>09/30/09</b> |
|---------------------------------|--|
| Regular employees               | 9.85%                                    |
| Elected county officials' class | 16.53%                                   |

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 01, 2008 through September 30, 2009, the total payroll for the Tax Collector's employees covered by the System was \$223,336. The retirement contributions for all employees covered by the FRS for the years ended September 2009, 2008 and 2007 were \$27,599, \$27,671 and \$28,339 which were the required contributions. For the year ended September 30, 2009 retirement contributions represent 12.36% of covered payroll.

**NOTE 5 – EXCESS REVENUE**

Pursuant to Section 218.36(2), Florida Statutes, any excess revenues over expenditures determined as of the fiscal year end, "...is returned to each governmental unit in the same proportion as the fees paid by the governmental unit bear to the total fee income of the Tax Collector." For the year ending September 30, 2009, excess revenues over expenditures of \$46,689 are accrued and reported as a transfer out.

## Reports

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

To the Honorable Lois H. Hunter, Tax Collector  
Jefferson County, Florida  
Monticello, Florida

We have audited the combined financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Tax Collector of Jefferson County, Florida, as of and for the year ended September 30, 2009, and have issued our report thereon dated November 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Tax Collector of Jefferson County, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Tax Collector's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Tax Collector's financial statements that is more than inconsequential will not be prevented or detected by the Tax Collector's internal control. We consider the following deficiencies to be significant deficiencies in internal control over financial reporting:

To the Honorable Lois H. Hunter, Tax Collector  
Jefferson County, Florida  
Monticello, Florida

**CURRENT YEAR FINDING: Tax Account Reconciliation**

COMMENT: At year end, the Tax Collector cash balance should reconcile to installments collected for next year's taxes and other amounts collected. We noted the Tax Collector's tax account had approximately \$232,738 of undisbursed taxes and fees in excess of tax installments.

RECOMMENDATION: We recommend the Tax Collector disburse all taxes and fees timely and reconcile the tax account monthly.

**PRIOR YEAR FINDING: Need for Segregation of Duties**

COMMENT: Separation of certain accounting and administrative duties among employees, which is recommended as an effective internal control procedure, was not adequate.

RECOMMENDATION: We realize that due to the limited number of employees and certain incompatible duties being performed by the same employee, it is difficult to achieve ideal separation of duties. Nevertheless, internal control is strengthened when incompatible duties are separated and review procedures are established and adhered to. At a minimum, we recommend the Tax Collector receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

**Preparation of GAAP-based Financial Statements**

COMMENT: The Tax Collector has a capable individual providing bookkeeping services; however, the Tax Collector does not have an individual on staff with the accounting education and experience to prepare financial statements in accordance with generally accepted accounting principles (GAAP). Management relies on Carr, Riggs and Ingram to prepare their annual financial statements including the note disclosures.

RECOMMENDATION: We understand that the cost-benefit of hiring someone with this expertise is not practical, therefore; we recommend the Tax Collector continue to request outside assistance when preparing annual financial statements.

STATUS: This condition continues to exist.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Tax Collector's internal control.

To the Honorable Lois H. Hunter, Tax Collector  
Jefferson County, Florida  
Monticello, Florida

**Compliance and Other Matters**

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

The Tax Collector's response to the findings identified in our audit is described in the accompanying letter. We did not audit the Tax Collector's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Tax Collector, Board of County Commissioners and the State Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*Carri Riggs & Ingram, L.L.C.*

November 25, 2009

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Lois H. Hunter, Tax Collector  
Jefferson County, Florida  
Monticello, Florida

We have audited the financial statements of the Jefferson County, Florida Tax Collector, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated November 25, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. Disclosures in that report, which is dated November 25, 2009, if any, should be considered in conjunction with this management letter.

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. This letter includes the following information, which is not included in the aforementioned auditors' report:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. Significant findings and recommendations made in the preceding annual financial audit report have not been corrected.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Jefferson County, Florida, Tax Collector complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

Honorable Lois H. Hunter, Tax Collector  
Jefferson County, Florida  
Monticello, Florida

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material, but, more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, and defalcations and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we disclose the following findings:

**CURRENT YEAR FINDINGS:**

**COMMENT:** The Tax Collector disbursed all penalties and interest on warrants to the Board of County Commissioners and not to the various taxing authorities. Taxes, interest and related penalties are to be disbursed to all taxing authorities in accordance with applicable millage rates.

**RECOMMENDATION:** We recommend the Tax Collector disburse all collections accordingly.

- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This item was disclosed in the notes to the financial statements.

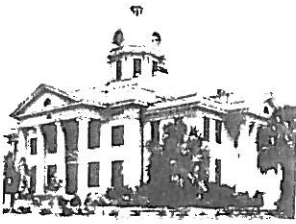
Honorable Lois H. Hunter, Tax Collector  
Jefferson County, Florida  
Monticello, Florida

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Jefferson County, Florida, Tax Collector, the Board of County Commissioners, the Florida Auditor General and appropriate federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Cam, Riggs & Ingram, L.L.C.*

November 25, 2009





*Lois H. Hunter, C.F.C.*

Jefferson County Tax Collector  
500 West Walnut Street  
Monticello, Florida 32344

Phone (850) 342-0147  
Fax (850) 342-0149

November 10, 2009

Mr. David W. Martin  
Auditor General, State of Florida  
111 West Madison Street  
Tallahassee, Florida 32399

Re: 2008-2009 Audit

Dear Mr. Martin,

This is in reply to our auditor's findings and recommendations contained in my audit report for the year ended September 30, 2009. Please be advised that although I agree with the auditor's findings and recommendations, the cost/benefit ratio is far too costly for this office to hire additional personnel to accomplish adequate segregation of duties and to prepare financial statements on our own. Accordingly, I will continue to utilize the current procedures regarding review of unopened bank statements each month and will continue to utilize Carr, Riggs & Ingram to prepare financial statements each year.

I am in the process of reconciling my Tax Account and will distribute any excess funds to the various taxing authorities upon completion of the reconciliation. This account will be reconciled with the cash balance each month going forward. Penalties collected on future tax rolls will be distributed pro-rata among the various taxing authorities after each annual tax sale.

Respectfully,

A handwritten signature in black ink, reading "Lois H. Hunter".

Lois H. Hunter,  
Tax Collector