

# Jackson County, Florida

Financial Statements

September 30, 2018



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRIcpa.com](http://CRIcpa.com)

**Jackson County, Florida  
FINANCIAL STATEMENTS  
September 30, 2018**

**BOARD OF COUNTY COMMISSIONERS**

**Willie Spires - District 1  
Clint Pate - District 2  
Chuck Lockey - District 3  
Eric Hill - District 4  
Jim Peacock - District 5**

**CLERK OF THE CIRCUIT COURT  
Clay Rooks**

**SHERIFF  
Louis S. Roberts III**

**TAX COLLECTOR  
Mary Carol Murdock**

**PROPERTY APPRAISER  
Rebecca Morris-Haid**

**SUPERVISOR OF ELECTIONS  
Sylvia Stephens**

**COUNTY ATTORNEY  
Michelle Blankenship Jordan, Esq.**

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

Jackson County, Florida  
Table of Contents  
September 30, 2018

**REPORT**

Independent Auditors' Report	1
------------------------------	---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis	4
--------------------------------------	---

**BASIC FINANCIAL STATEMENTS**

*Government-wide Financial Statements*

Statement of Net Position	5
---------------------------	---

Statement of Activities	6
-------------------------	---

*Fund Financial Statements*

Balance Sheet - Governmental Funds	7
------------------------------------	---

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	8
---	---

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	9
--	---

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
--	----

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund - Budget and Actual	11
---	----

Statement of Revenues, Expenditures and Changes in Fund Balance - Fines and Forfeitures Fund - Budget and Actual	12
---	----

Statement of Revenues, Expenditures and Changes in Fund Balance - Transportation Trust Fund - Budget and Actual	13
--	----

Statement of Revenues, Expenditures and Changes in Fund Balance - Road Construction - Budget and Actual	14
--	----

Statement of Revenues, Expenditures and Changes in Fund Balance - Utility Fee Fund - Budget to Actual	15
--	----

Statement of Net Position - Proprietary Funds	16
---	----

Jackson County, Florida  
Table of Contents  
September 30, 2018

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	18
Statement of Cash Flows - Proprietary Funds	19
Statement of Fiduciary Net Position - Agency Funds	21
Notes to Financial Statements	22
<b>COMBINING FINANCIAL STATEMENTS</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	68
Combining Statement of Net Position - Nonmajor Enterprise Funds	75
Combining Statement of Revenues, Expenditures and Changes in Net Position - Nonmajor Enterprise Funds	76
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	77
Combining Statement of Fiduciary Net Position - Agency Funds	78
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Proportional Share of Net Pension Liability Florida Retirement System (Last 6 Fiscal Years)	80
Schedule of Contributions Florida Retirement System (Last 6 Fiscal Years)	81
Schedule of Proportional Share of Net Pension Liability Health Insurance Subsidy (Last 6 Fiscal Years)	82
Schedule of Contributions Health Insurance Subsidy (Last 6 fiscal years)	83

Jackson County, Florida  
Table of Contents  
September 30, 2018

Schedule of Changes in Net OPEB Liability and Related Ratios, Last 10 Fiscal Years	84
--	----

**COMPLIANCE SECTION**

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 <i>Government Auditing Standards</i>	85
---	----

Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	87
---	----

Schedule of Expenditures of Federal Awards and State Financial Assistance	90
---	----

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	93
--	----

Schedule of Findings and Questioned Costs	95
---	----

Summary Schedule of Prior Audit Findings	99
--	----

Independent Auditors' Management Letter	101
---	-----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	105
---	-----

Independent Accountants' Report on Compliance with Section 365.172(10) and 365.173(2)(d), Florida Statutes	106
--	-----

Management's Response	107
-----------------------	-----

**CONSTITUTIONAL OFFICER FINANCIAL STATEMENTS**

Clerk of the Circuit Court

Property Appraiser

Sheriff

Supervisor of Elections

Tax Collector



# REPORT





Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITORS' REPORT

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jackson County, Florida  
Marianna, Florida

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of , (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jackson County, Florida  
Marianna, Florida

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of as of September 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4.1 to 4.8 and other required supplementary information as listed in the table of contents be presented to supplement the basic statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing and comparing and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550 Rules of the Florida Auditor General is not a required part of the basic financial statements.



To the Honorable Board of County Commissioners  
and Constitutional Officers of Jackson County, Florida  
Marianna, Florida

The combining and individual non-major fund financial statements, and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Emphasis of Matter**

As discussed in Note 23 and Note 24 of the financial statements, the 2017 financial statements have been restated to correct a misstatement related to inventory and for a change in accounting principle, the implementation of GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2019, on our consideration of Jackson 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 solely 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.

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

Marianna, Florida  
June 27, 2019



**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

## Jackson County, Florida Management's Discussion and Analysis

The management of Jackson County, Florida has prepared the following discussion and analysis to assist the reader in focusing on significant financial attributes; provide an overview and analysis of the County's financial activities; identify changes in the County's financial position; identify material deviations from the approved budget; and highlight significant attributes in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the County's financial statements and notes to financial statements found on pages 5 through 60.

### **FINANCIAL HIGHLIGHTS**

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) at the close of the most recent fiscal year by \$74,890,394.
- The County's total net position increased by \$4,516,820, which represents a 6.42% increase from the 2017 fiscal year. This does not include a current year change in accounting principle of (\$1,658,000) and a prior period adjustment of \$136,966.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balance of \$28,865,604, which is an increase of \$2,337,301 in comparison with the prior year. This does not include a current year prior period adjustment of \$105,824.
- During the current year, General Fund revenues exceeded expenditures and transfers by \$292,574. General Fund revenue increased by \$16,156, or .09% over the prior fiscal year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The annual financial report also contains other supplementary information in addition to the basic financial statements.

## Jackson County, Florida Management's Discussion and Analysis

### *Government-Wide Financial Statements*

The *government-wide financial statements*, which consist of the following two statements, are designed to provide readers with a broad overview of the County's finances, in a manner similar to those of a private-sector business. The *Statement of Net Position* presents financial information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. This is considered one way to measure the County's financial health. The *Statement of Activities* presents information about the change in the County's net position, the results of operations, during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, some revenues and expenses reported in this statement will result in cash flows in future fiscal years (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements show a distinction between activities that are supported primarily by taxes and intergovernmental revenues (government activities) and activities that are supported by the recovery of all or most of their costs through user fees and charges (business-type activities). The government activities of the County include general government, public safety, physical environment, transportation, economic environment, health and social services, culture/recreation, and other community services. The business-type activities of the County include water/sewer system operations, parks and recreation and recycling. The government-wide financial statements can be found on pages 5 and 6 of this report.

### *Fund Financial Statements*

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the County's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

*Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.



## Jackson County, Florida Management's Discussion and Analysis

The governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. The short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the County's funds. The County maintains 40 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fine & Forfeitures, Transportation Trust and Road Construction, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the major funds.

### *Notes to Financial Statements*

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 60 of this report.

### *Other information*

This report also contains other information in addition to the basic financial statements. Combining and individual fund statements and schedules are presented for non-major governmental and agency funds.

## Jackson County, Florida Management's Discussion and Analysis

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position over time may serve as a useful indicator of a government's financial position. The following is a summary of the County's net position as of September 30, 2018 and September 30, 2017:

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 35,950,554	\$ 32,855,280	\$ 447,035	\$ 680,423	\$ 36,397,589	\$ 33,535,703
Non-current assets	69,041,776	67,406,087	12,217,128	10,904,966	81,258,904	78,311,053
<b>Total assets</b>	<b>104,992,330</b>	<b>100,261,367</b>	<b>12,664,163</b>	<b>11,585,389</b>	<b>117,656,493</b>	<b>111,846,756</b>
<b>Deferred outflows of resources</b>	<b>9,696,184</b>	<b>9,895,476</b>	<b>147,659</b>	<b>150,694</b>	<b>9,843,843</b>	<b>10,046,170</b>
Current liabilities	7,084,950	6,432,801	422,628	132,385	7,507,578	6,565,186
Non-current liabilities	38,568,499	37,836,012	3,810,782	3,961,792	42,379,281	41,797,804
<b>Total liabilities</b>	<b>45,653,449</b>	<b>44,268,813</b>	<b>4,233,410</b>	<b>4,094,177</b>	<b>49,886,859</b>	<b>48,362,990</b>
<b>Deferred inflows of resources</b>	<b>2,682,237</b>	<b>1,610,799</b>	<b>40,846</b>	<b>24,529</b>	<b>2,723,083</b>	<b>1,635,328</b>
Invested in capital assets, net of related debt	57,982,305	55,814,377	8,761,453	7,293,523	66,743,758	63,107,900
Restricted	6,062,488	6,392,983	60,783	59,531	6,123,271	6,452,514
Unrestricted	2,308,035	2,069,871	(284,670)	264,323	2,023,365	2,334,194
<b>Total net position</b>	<b>\$ 66,352,828</b>	<b>\$ 64,277,231</b>	<b>\$ 8,537,566</b>	<b>\$ 7,617,377</b>	<b>\$ 74,890,394</b>	<b>\$ 71,894,608</b>

## Jackson County, Florida Management's Discussion and Analysis

The following is a summary of the County's Statement of Activities as of September 30, 2018 and September 30, 2017:

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 9,285,254	\$ 8,346,687	\$ 1,384,145	\$ 1,303,684	\$ 10,669,399	\$ 9,650,371
Operating grants and contributions	3,979,995	9,811,649	-	-	3,979,995	9,811,649
Capital grants and contributions	1,774,174	1,447,886	854,708	95,886	2,628,882	1,543,772
<b>Total program revenues</b>	<b>15,039,423</b>	<b>19,606,222</b>	<b>2,238,853</b>	<b>1,399,570</b>	<b>17,278,276</b>	<b>21,005,792</b>
<b>General Revenues</b>						
Property taxes	12,193,084	12,308,102	-	-	12,193,084	12,308,102
Other taxes, intergovernmental and shared revenue	18,746,228	18,690,255	-	-	18,746,228	18,690,255
Investment earnings	36,484	25,011	16,654	14,322	53,138	39,333
Miscellaneous	1,087,495	1,512,273	11,464	4,939	1,098,959	1,517,212
Transfers	(379,362)	(291,397)	379,362	291,397	-	-
Transfers to State of FL	(171,545)	(167,016)	-	-	(171,545)	(167,016)
<b>Total general revenues</b>	<b>31,512,384</b>	<b>32,077,228</b>	<b>407,480</b>	<b>310,658</b>	<b>31,919,864</b>	<b>32,387,886</b>
<b>Total revenues</b>	<b>46,551,807</b>	<b>51,683,450</b>	<b>2,646,333</b>	<b>1,710,228</b>	<b>49,198,140</b>	<b>53,393,678</b>
<b>Expenses</b>						
<b>Program activities</b>						
<b>Governmental activities:</b>						
General government	8,584,221	8,531,103	-	-	8,584,221	8,531,103
Public safety	17,371,580	16,612,886	-	-	17,371,580	16,612,886
Physical environment	628,412	517,396	-	-	628,412	517,396
Transportation	11,224,759	16,673,210	-	-	11,224,759	16,673,210
Economic environment	1,031,072	1,196,169	-	-	1,031,072	1,196,169
Human services	1,732,174	1,664,564	-	-	1,732,174	1,664,564
Culture and recreation	898,309	865,890	-	-	898,309	865,890
Court related	1,221,013	1,268,442	-	-	1,221,013	1,268,442
Interest on long-term debt	232,494	254,350	-	-	232,494	254,350
<b>Business-type activities</b>	<b>-</b>	<b>-</b>	<b>1,757,286</b>	<b>1,671,239</b>	<b>1,757,286</b>	<b>1,671,239</b>
<b>Total expenses</b>	<b>42,924,034</b>	<b>47,584,010</b>	<b>1,757,286</b>	<b>1,671,239</b>	<b>44,681,320</b>	<b>49,255,249</b>
<b>Change in net position</b>	<b>3,627,773</b>	<b>4,099,440</b>	<b>889,047</b>	<b>38,989</b>	<b>4,516,820</b>	<b>4,138,429</b>
<b>Net position – beginning</b>	<b>64,277,231</b>	<b>60,177,791</b>	<b>7,617,377</b>	<b>7,578,388</b>	<b>71,894,608</b>	<b>67,756,179</b>
Change in accounting principle - OPEB	(1,658,000)	-	-	-	(1,658,000)	-
Prior Period Adjustment - Inventory	105,824	-	31,142	-	136,966	-
<b>Net position, beginning as restated</b>	<b>62,725,055</b>	<b>-</b>	<b>7,648,519</b>	<b>-</b>	<b>70,373,574</b>	<b>-</b>
<b>Net position – ending</b>	<b>\$ 66,352,828</b>	<b>\$ 64,277,231</b>	<b>\$ 8,537,566</b>	<b>\$ 7,617,377</b>	<b>\$ 74,890,394</b>	<b>\$ 71,894,608</b>

## Jackson County, Florida Management's Discussion and Analysis

The largest portion of the County's net position (89.12%) reflects its investments in capital assets (e.g., land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's net position is *restricted* net position (8.18%) which represent resources that are subject to constraints such as debt covenants, grantors, laws or regulations. The remaining balance of unrestricted net position (\$2,023,365 or 2.70%) is that portion of County resources that are available to meet the ongoing obligations to citizens and creditors.

The key elements of the changes in the County's net position for the fiscal years ended September 30, 2018 are contained on the Statement of Activities on Page 6 of this report.

Governmental activities increased the County's net position by \$3,627,773.

### **FINANCIAL ANALYSIS OF JACKSON COUNTY'S FUNDS**

The County uses fund accounting to demonstrate compliance with finance related legal requirements.

#### *Major Governmental Funds*

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$4,860,887 while the total fund balance was \$8,890,867. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 21.54% of total General Fund expenditures, while total fund balance represents 39.39% of that same amount. The fund balance increased by \$292,574 during the 2017-2018 fiscal year.

The Fine and Forfeiture fund accounts for law enforcement activities of the County. At the end of the current fiscal year, the fund balance was \$898,171 which is assigned. The fund balance decreased by \$232,821 during the 2017-2018 fiscal year.



## Jackson County, Florida Management's Discussion and Analysis

The Transportation Trust fund accounts for the operation cost of the Public Works Department. At the end of the current fiscal year, the non-spendable fund balance was \$112,385; the assigned fund balance was \$4,890,533 and committed fund balance was \$230,223. The fund balance increased by \$36,010 during the 2017-2018 fiscal year.

The Road Construction fund accounts for revenues that improve roads throughout the County. At the end of the current fiscal year, the committed fund balance was \$4,733,282. The fund balance increased by \$2,032,855 during the 2017-2018 fiscal year.

The Utility Fee fund accounts for utility fee tax revenues. At the end of the current fiscal year, the assigned fund balance was \$488,952. The fund balance increased by \$243,365 during the 2017-2018 fiscal year.

### *Proprietary Funds*

The County's proprietary funds reported net position of \$8,537,566 which includes \$7,724,408 from the operation of the Water/Sewer System.

Total unassigned fund balances for all governmental funds totaled \$4,879,983 at September 30, 2018, compared to total governmental fund balances of \$28,865,604 at the same date. The restricted fund balance was \$6,062,488 which included funds for Vessel fees, Gas Tax Bond Series 2014, Courts facility fund, JCDC tax, Inmate Welfare fund, and other special revenue funds.

The unassigned governmental fund balance of \$4,879,983 is different from the Unrestricted Net Position amount on the Statement of Net Position of \$2,023,365 due to reporting requirements regarding primarily capital assets and long-term debt liabilities which are not included on the Governmental Fund balance sheet.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the course of the 2017-2018 fiscal year, the County amended the budget for numerous funds on November 27, 2018. The County received unanticipated revenues and determined actual cash balance forward dollars in excess of the original budget figures in the amount of \$3,130,547.

### **CAPITAL ASSETS**

The County's investment in capital assets for its governmental and business type activities as of September 30, 2018 amounted to \$81,258,904 (net of accumulated depreciation). Current year purchases totaled \$7,812,458 while current year retirements were \$213,449. Depreciation expense for the year was \$4737,150. This investment in capital assets includes land; buildings and fixed equipment; cost for past road and other infrastructure; fixtures and equipment; and computer software.

## Jackson County, Florida Management's Discussion and Analysis

### **LONG-TERM DEBT**

At the end of fiscal year ended September 30, 2018, the County had a long-term debt amounting to \$42,379,281. Of this amount, notes payable, capital lease and revenue bond outstanding was \$13,231,173, with \$1,457,339 to meet compensated absences obligations, with \$23,673,769 to meet net pension liability and the remainder for other liabilities, landfill closure and post-closure costs and other post-employment benefit obligation. There were no debt proceeds for the current year, principal payments on debt totaled \$1,092,010.

### **ECONOMIC FACTORS – JACKSON COUNTY, FLORIDA**

- The unemployment rate for the County was 3.6% percent at September 30, 2018, a decrease of .4% from the prior year.
- Population increased to approximately 43,055.
- The taxable value for personal and real property in the County at September 30, 2018 is \$1,555,867,269, an increase of 1.2% from the previous year.
- The general ad valorem tax millage rate was 7.8727 for the year ended September 30, 2018.
- The budget for the next fiscal year ending September 30, 2019 represents a 2.5% increase over the 2017-2018 fiscal year total operating expenditures.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Jackson County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed:

Jackson County Board of County Commissioners  
2864 Madison Street  
Marianna, Florida, 32448.



# **FINANCIAL STATEMENTS**

## Jackson County, Florida Statement of Net Position

September 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 15,431,820	\$ 428,385	\$ 15,860,205
Restricted cash and cash equivalents	9,013,627	86,241	9,099,868
Investments	1,593,877	-	1,593,877
Equity in pooled investments	898,207	47,464	945,671
Accounts receivable	2,205,976	120,676	2,326,652
Inventory	112,385	31,142	143,527
Internal balances	1,113,864	(1,113,821)	43
Due from other governmental units	5,580,206	846,948	6,427,154
Prepays	592	-	592
Capital assets, net			
Nondepreciable capital assets	6,504,255	1,932,947	8,437,202
Depreciable capital assets, net	62,537,521	10,284,181	72,821,702
<b>Total assets</b>	<b>104,992,330</b>	<b>12,664,163</b>	<b>117,656,493</b>
<b>Deferred outflows of resources</b>			
Pension deferrals	9,696,184	147,659	9,843,843
<b>Total deferred outflows of resources</b>	<b>9,696,184</b>	<b>147,659</b>	<b>9,843,843</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	2,517,093	349,706	2,866,799
Accrued interest payable	-	7,987	7,987
Due to other governmental units	771,697	-	771,697
Unearned revenue	3,796,160	-	3,796,160
Liabilities payable from restricted assets	-	64,935	64,935
Long-term liabilities			
Portion due or payable within one year			
Notes payable	51,000	-	51,000
Capital lease	148,677	-	148,677
Bonds payable	922,000	161,588	1,083,588
Compensated absences	364,335	-	364,335
Other liabilities	75,000	-	75,000
Landfill closure liability	50,000	-	50,000
Portion due or payable after one year			
Notes payable	161,000	-	161,000
Capital lease	2,505,821	-	2,505,821
Bonds payable	5,987,000	3,294,087	9,281,087
Compensated absences	1,093,004	-	1,093,004
Other post employment benefit obligation	3,436,000	-	3,436,000
Net pension liability	23,318,662	355,107	23,673,769
Other liabilities	120,000	-	120,000
Landfill closure liability	336,000	-	336,000
<b>Total liabilities</b>	<b>45,653,449</b>	<b>4,233,410</b>	<b>49,886,859</b>
<b>Deferred inflows of resources</b>			
Pension deferrals	2,682,237	40,846	2,723,083
<b>Total deferred inflows of resources</b>	<b>2,682,237</b>	<b>40,846</b>	<b>2,723,083</b>
<b>Net position</b>			
Net investment in capital assets	57,982,305	8,761,453	66,743,758
Restricted	6,062,488	60,783	6,123,271
Unrestricted	2,308,035	(284,670)	2,023,365
<b>Total net position</b>	<b>\$ 66,352,828</b>	<b>\$ 8,537,566</b>	<b>\$ 74,890,394</b>

*The accompanying notes are an integral part of these financial statements.*

# Jackson County, Florida Statement of Activities

For the year ended September 30, 2018

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position					
		Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
<b>Governmental activities</b>							
General government	\$ 8,584,221	\$ 8,550,551	\$ 559,191	\$ -	\$ 525,521	\$ -	\$ 525,521
Public safety	17,371,580	675,975	237,888	-	(16,457,717)	-	(16,457,717)
Physical environment	628,412	-	94,456	-	(533,956)	-	(533,956)
Transportation	11,224,759	-	2,401,060	1,774,174	(7,049,525)	-	(7,049,525)
Economic environment	1,031,072	-	369,860	-	(661,212)	-	(661,212)
Human services	1,732,174	-	3,249	-	(1,728,925)	-	(1,728,925)
Culture and recreation	898,309	-	314,291	-	(584,018)	-	(584,018)
Court related	1,221,013	58,728	-	-	(1,162,285)	-	(1,162,285)
Interest on long-term debt	232,494	-	-	-	(232,494)	-	(232,494)
<b>Total governmental activities</b>	<b>42,924,034</b>	<b>9,285,254</b>	<b>3,979,995</b>	<b>1,774,174</b>	<b>(27,884,611)</b>	<b>-</b>	<b>(27,884,611)</b>
<b>Business-type activities</b>							
Water and sewer	1,022,371	1,150,359	-	854,708	-	982,696	982,696
Parks and recreation	478,931	175,025	-	-	-	(303,906)	(303,906)
Recycling	156,442	58,761	-	-	-	(97,681)	(97,681)
Interest on long-term debt	99,542	-	-	-	-	(99,542)	(99,542)
<b>Total business-type activities</b>	<b>1,757,286</b>	<b>1,384,145</b>	<b>-</b>	<b>854,708</b>	<b>-</b>	<b>481,567</b>	<b>481,567</b>
<b>Total primary government</b>	<b>\$ 44,681,320</b>	<b>\$ 10,669,399</b>	<b>\$ 3,979,995</b>	<b>\$ 2,628,882</b>	<b>(27,884,611)</b>	<b>481,567</b>	<b>(27,403,044)</b>
<b>General revenues</b>							
Taxes							
Property taxes					12,193,084	-	12,193,084
Local option taxes					6,829,820	-	6,829,820
Sales tax and other taxes					2,818,271	-	2,818,271
Intergovernmental and shared revenue					9,098,137	-	9,098,137
Investment earnings					36,484	16,654	53,138
Miscellaneous					1,087,495	11,464	1,098,959
Transfer to State of Florida					(171,545)	-	(171,545)
<b>Transfers</b>					<b>(379,362)</b>	<b>379,362</b>	<b>-</b>
<b>Total general revenues</b>					<b>31,512,384</b>	<b>407,480</b>	<b>31,919,864</b>
<b>Change in net position</b>					<b>3,627,773</b>	<b>889,047</b>	<b>4,516,820</b>
<b>Net position, beginning as previously reported</b>					<b>64,277,231</b>	<b>7,617,377</b>	<b>71,894,608</b>
<b>Change in Accounting Principle, OPEB, see note 23</b>					<b>(1,658,000)</b>	<b>-</b>	<b>(1,658,000)</b>
<b>Prior Period Adjustment - Inventory, see note 24</b>					<b>105,824</b>	<b>31,142</b>	<b>136,966</b>
<b>Net position, beginning as restated</b>					<b>62,725,055</b>	<b>7,648,519</b>	<b>70,373,574</b>
<b>Net position, ending</b>					<b>\$ 66,352,828</b>	<b>\$ 8,537,566</b>	<b>\$ 74,890,394</b>

The accompanying notes are an integral part of these financial statements.

**Jackson County, Florida**  
**Balance Sheet – Governmental Funds**

September 30, 2018

	General Fund	Fines and Forfeitures	Transportation Trust	Road Construction	Utility Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 6,495,436	\$ 598,040	\$ 120,468	\$ 1,940,026	\$ 1,715,748	\$ 4,562,102	\$ 15,431,820
Investments	-	-	-	-	-	1,593,877	1,593,877
Equity in pooled investments	360,078	89,829	230,220	15,196	-	202,884	898,207
Restricted cash and cash equivalents	132,142	-	5,451,354	-	-	3,430,131	9,013,627
Accounts receivable	1,175,542	-	-	-	348,454	681,980	2,205,976
Inventory	-	-	112,385	-	-	-	112,385
Due from other funds	3,110,118	197,184	641,089	2,085,335	-	259,404	6,293,130
Due from other governmental units	904,661	216,375	2,733,945	1,072,212	-	653,013	5,580,206
Prepaid expenses	592	-	-	-	-	-	592
<b>Total assets</b>	<b>\$ 12,178,569</b>	<b>\$ 1,101,428</b>	<b>\$ 9,289,461</b>	<b>\$ 5,112,769</b>	<b>\$ 2,064,202</b>	<b>\$ 11,383,391</b>	<b>\$ 41,129,820</b>
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ 769,667	\$ 198,716	\$ 356,955	\$ 320,926	\$ -	\$ 870,829	\$ 2,517,093
Due to other funds	1,852,129	-	944,034	58,561	1,575,250	749,292	5,179,266
Due to other governmental units	638,091	-	-	-	-	133,606	771,697
Unearned revenue	27,815	4,541	2,755,331	-	-	1,008,473	3,796,160
<b>Total liabilities</b>	<b>3,287,702</b>	<b>203,257</b>	<b>4,056,320</b>	<b>379,487</b>	<b>1,575,250</b>	<b>2,762,200</b>	<b>12,264,216</b>
<b>Fund balances</b>							
Nonspendable	592	-	112,385	-	-	-	112,977
Restricted	108,727	-	-	-	-	5,953,761	6,062,488
Committed	715,830	-	230,223	4,733,282	-	1,384,792	7,064,127
Assigned	3,204,831	898,171	4,890,533	-	488,952	1,263,542	10,746,029
Unassigned	4,860,887	-	-	-	-	19,096	4,879,983
<b>Total fund balances</b>	<b>8,890,867</b>	<b>898,171</b>	<b>5,233,141</b>	<b>4,733,282</b>	<b>488,952</b>	<b>8,621,191</b>	<b>28,865,604</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,178,569</b>	<b>\$ 1,101,428</b>	<b>\$ 9,289,461</b>	<b>\$ 5,112,769</b>	<b>\$ 2,064,202</b>	<b>\$ 11,383,391</b>	<b>\$ 41,129,820</b>

The accompanying notes are an integral part of these financial statements.

**Jackson County, Florida**  
**Reconciliation of the Balance Sheet of Governmental**  
**Funds to the Statement of Net Position**

*September 30, 2018*

---

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

Total fund balances – governmental funds	\$ 28,865,604
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	69,041,776
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	(38,568,499)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources - pensions	9,696,184
Deferred inflows of resources - pensions	(2,682,237)
<b>Net position of governmental activities</b>	<b>\$ 66,352,828</b>

*The accompanying notes are an integral part of these financial statements.*

Jackson County, Florida

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2018

	General Fund	Fines and Forfeitures	Transportation Trust	Road Construction	Utility Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 3,244,358	\$ 8,257,012	\$ 3,586,475	\$ 556,669	\$ 2,818,271	\$ 3,378,390	\$ 21,841,175
Licenses and permits	1,913,922	-	2,450	-	-	-	1,916,372
Intergovernmental	6,450,557	189,271	48,235	2,340,311	-	69,763	9,098,137
Charges for services	5,820,142	347,109	-	-	-	795,685	6,962,936
Fines and forfeitures	247,168	42,334	-	-	-	118,894	408,396
Grants	559,191	-	2,401,060	1,774,174	-	1,019,744	5,754,169
Investment earnings	7,832	1,690	4,962	284	344	21,372	36,484
Other fees and miscellaneous revenues	362,362	105,483	120,293	33,286	-	224,993	846,417
<b>Total revenues</b>	<b>18,605,532</b>	<b>8,942,899</b>	<b>6,163,475</b>	<b>4,704,724</b>	<b>2,818,615</b>	<b>5,628,841</b>	<b>46,864,086</b>
<b>Expenditures</b>							
Current:							
General government	7,806,820	-	-	-	-	291,947	8,098,767
Public health and safety	10,240,002	4,637,514	-	-	-	696,787	15,574,303
Physical environment	420,332	-	-	-	-	94,456	514,788
Transportation	180,029	-	6,545,963	1,542,613	-	235,076	8,503,681
Economic environment	416,345	-	-	-	-	600,585	1,016,930
Human services	1,236,690	-	-	-	-	47,340	1,284,030
Culture/recreation	462,580	-	-	-	-	284,170	746,750
Court related	978,977	-	-	-	-	159,614	1,138,591
Capital outlay	568,861	44,285	2,851,004	890,680	-	1,418,704	5,773,534
Debt service:							
Principal	191,010	-	-	-	-	901,000	1,092,010
Interest and other charges	66,877	-	-	-	-	165,617	232,494
<b>Total expenditures</b>	<b>22,568,523</b>	<b>4,681,799</b>	<b>9,396,967</b>	<b>2,433,293</b>	<b>-</b>	<b>4,895,296</b>	<b>43,975,878</b>
Excess (deficiency) of revenues over (under) expenditures	(3,962,991)	4,261,100	(3,233,492)	2,271,431	2,818,615	733,545	2,888,208
<b>Other financing sources (uses)</b>							
Transfers in	7,408,411	339,240	4,097,475	827,973	-	1,726,499	14,399,598
Transfers out	(2,981,301)	(4,833,161)	(827,973)	(1,066,549)	(2,575,250)	(2,494,726)	(14,778,960)
Transfer to State of Florida	(171,545)	-	-	-	-	-	(171,545)
<b>Net other financing sources (uses)</b>	<b>4,255,565</b>	<b>(4,493,921)</b>	<b>3,269,502</b>	<b>(238,576)</b>	<b>(2,575,250)</b>	<b>(768,227)</b>	<b>(550,907)</b>
<b>Net changes in fund balances</b>	<b>292,574</b>	<b>(232,821)</b>	<b>36,010</b>	<b>2,032,855</b>	<b>243,365</b>	<b>(34,682)</b>	<b>2,337,301</b>
<b>Fund balances - beginning, before restatement</b>	<b>8,598,293</b>	<b>1,130,992</b>	<b>5,091,307</b>	<b>2,700,427</b>	<b>245,587</b>	<b>8,655,873</b>	<b>26,422,479</b>
<b>Prior Period Adjustment - Inventory, Note 24</b>	<b>-</b>	<b>-</b>	<b>105,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,824</b>
<b>Fund balances -beginning, after restatement</b>	<b>8,598,293</b>	<b>1,130,992</b>	<b>5,197,131</b>	<b>2,700,427</b>	<b>245,587</b>	<b>8,655,873</b>	<b>26,528,303</b>
<b>Fund balances - ending</b>	<b>\$ 8,890,867</b>	<b>\$ 898,171</b>	<b>\$ 5,233,141</b>	<b>\$ 4,733,282</b>	<b>\$ 488,952</b>	<b>\$ 8,621,191</b>	<b>\$ 28,865,604</b>

The accompanying notes are an integral part of these financial statements.



**Jackson 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, 2018*

---

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

Net change in fund balances - total governmental funds	\$ 2,337,301
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	5,773,534
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(4,376,473)
The net effect of transactions involving capital assets (i.e. sales, transfers and donations) included in the governmental activities in the statement of activities.	235,954
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. These include:	
Principal payments on long-term debt	1,092,010
Worker's compensation	75,000
Compass Lake in the Hills special assessments	318,649
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:	
Post employment benefits	(121,000)
Landfill expenses	(93,839)
Compensated absences	(32,892)
Pension expenses	(1,580,471)
Change in net position	\$ 3,627,773

*The accompanying notes are an integral part of these financial statements.*

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

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 3,687,621	\$ 3,903,621	\$ 3,244,358	\$ (659,263)
Licenses and permits	1,658,350	1,698,350	1,913,922	215,572
Intergovernmental	6,322,347	6,446,734	6,450,557	3,823
Charges for services	4,602,090	5,264,366	5,820,142	555,776
Fines and forfeitures	238,205	243,150	247,168	4,018
Grants	283,683	559,680	559,191	(489)
Investment earnings	3,925	3,949	7,832	3,883
Other fees and miscellaneous revenues	408,738	466,641	362,362	(104,279)
<b>Total revenues</b>	<b>17,204,959</b>	<b>18,586,491</b>	<b>18,605,532</b>	<b>19,041</b>
<b>Expenditures</b>				
Current:				
General government	9,073,469	9,931,231	7,806,820	2,124,411
Public health and safety	9,632,246	10,075,118	10,240,002	(164,884)
Physical environment	457,392	422,392	420,332	2,060
Transportation	224,793	214,793	180,029	34,764
Economic environment	429,041	430,041	416,345	13,696
Human services	1,441,259	1,456,259	1,236,690	219,569
Culture and recreation	511,823	511,823	462,580	49,243
Court related	1,211,202	1,194,357	978,977	215,380
Capital outlay	2,892,673	2,321,338	568,861	1,752,477
Debt service	56,205	259,931	257,887	2,044
<b>Total expenditures</b>	<b>25,930,103</b>	<b>26,817,283</b>	<b>22,568,523</b>	<b>4,248,760</b>
Excess (deficiency) of revenues over (under) expenditures	(8,725,144)	(8,230,792)	(3,962,991)	4,267,801
<b>Other financing sources (uses)</b>				
Transfers in	10,351,410	10,396,410	7,408,411	(2,987,999)
Transfers out	(5,616,730)	(5,991,533)	(2,981,301)	3,010,232
Transfer to State of Florida	-	-	(171,545)	(171,545)
Net other financing sources (uses)	4,734,680	4,404,877	4,255,565	(149,312)
<b>Net change in fund balance</b>	<b>(3,990,464)</b>	<b>(3,825,915)</b>	<b>292,574</b>	<b>4,118,489</b>
<b>Fund balance - beginning</b>	<b>8,598,293</b>	<b>8,598,293</b>	<b>8,598,293</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 4,607,829</b>	<b>\$ 4,772,378</b>	<b>\$ 8,890,867</b>	<b>\$ 4,118,489</b>

*The accompanying notes are an integral part of these financial statements.*

**Jackson County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Fines and Forfeitures Fund**  
**Budget and Actual**

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 8,045,332	\$ 8,140,332	\$ 8,257,012	\$ 116,680
Intergovernmental	188,832	188,832	189,271	439
Charges for services	278,250	334,250	347,109	12,859
Fines and forfeitures	47,500	47,500	42,334	(5,166)
Grants	30,000	30,000	-	(30,000)
Investment earnings	1,000	1,000	1,690	690
Other fees and miscellaneous revenues	104,124	148,374	105,483	(42,891)
<b>Total revenues</b>	<b>8,695,038</b>	<b>8,890,288</b>	<b>8,942,899</b>	<b>52,611</b>
<b>Expenditures</b>				
Current:				
Public health and safety	4,638,779	4,954,477	4,637,514	316,963
Capital outlay	152,500	196,785	44,285	152,500
<b>Total expenditures</b>	<b>4,791,279</b>	<b>5,151,262</b>	<b>4,681,799</b>	<b>469,463</b>
Excess (deficiency) of revenues over (under) expenditures	3,903,759	3,739,026	4,261,100	522,074
<b>Other financing sources (uses)</b>				
Transfers in	225,500	226,250	339,240	112,990
Transfers out	(4,629,259)	(4,949,211)	(4,833,161)	116,050
Net other financing sources (uses)	(4,403,759)	(4,722,961)	(4,493,921)	229,040
<b>Net change in fund balance</b>	<b>(500,000)</b>	<b>(983,935)</b>	<b>(232,821)</b>	<b>751,114</b>
<b>Fund balance - beginning</b>	<b>1,130,992</b>	<b>1,130,992</b>	<b>1,130,992</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 630,992</b>	<b>\$ 147,057</b>	<b>\$ 898,171</b>	<b>\$ 751,114</b>

*The accompanying notes are an integral part of these financial statements.*

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

*For the year ended September 30, 2018*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 3,562,416	\$ 3,562,416	\$ 3,586,475	\$ 24,059
Licenses and taxes	3,000	3,000	2,450	(550)
Intergovernmental	44,954	44,954	48,235	3,281
Grants	7,500,000	7,500,000	2,401,060	(5,098,940)
Investment earnings	2,250	2,250	4,962	2,712
Other fees and miscellaneous revenues	101,000	101,000	120,293	19,293
<b>Total revenues</b>	<b>11,213,620</b>	<b>11,213,620</b>	<b>6,163,475</b>	<b>(5,050,145)</b>
<b>Expenditures</b>				
Current:				
Transportation	11,921,090	11,640,590	6,545,963	5,094,627
Capital outlay	3,292,180	3,566,180	2,851,004	715,176
<b>Total expenditures</b>	<b>15,213,270</b>	<b>15,206,770</b>	<b>9,396,967</b>	<b>5,809,803</b>
Excess (deficiency) of revenues over (under) expenditures	(3,999,650)	(3,993,150)	(3,233,492)	759,658
<b>Other financing sources (uses)</b>				
Transfers in	4,411,013	4,411,013	4,097,475	(313,538)
Transfers out	(821,970)	(828,470)	(827,973)	497
Net other financing sources (uses)	3,589,043	3,582,543	3,269,502	(313,041)
<b>Net change in fund balance</b>	<b>(410,607)</b>	<b>(410,607)</b>	<b>36,010</b>	<b>446,617</b>
<b>Fund balance - beginning, after restatement</b>	<b>5,197,131</b>	<b>5,197,131</b>	<b>5,197,131</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 4,786,524</b>	<b>\$ 4,786,524</b>	<b>\$ 5,233,141</b>	<b>\$ 446,617</b>

*The accompanying notes are an integral part of these financial statements.*

**Jackson County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Road Construction**  
**Budget and Actual**

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 569,997	\$ 569,997	\$ 556,669	\$ (13,328)
Intergovernmental	2,311,638	2,311,638	2,340,311	28,673
Grants	-	2,482,038	1,774,174	(707,864)
Investment earnings	-	-	284	284
Other fees and miscellaneous revenues	-	35,000	33,286	(1,714)
<b>Total revenues</b>	<b>2,881,635</b>	<b>5,398,673</b>	<b>4,704,724</b>	<b>(693,949)</b>
<b>Expenditures</b>				
Current:				
Transportation	141,189	1,582,547	1,542,613	39,934
Capital outlay	2,490,731	5,314,989	890,680	4,424,309
<b>Total expenditures</b>	<b>2,631,920</b>	<b>6,897,536</b>	<b>2,433,293</b>	<b>4,464,243</b>
Excess (deficiency) of revenues over (under) expenditures	249,715	(1,498,863)	2,271,431	3,770,294
<b>Other financing sources (uses)</b>				
Transfers in	821,970	828,470	827,973	(497)
Transfers out	(1,071,685)	(1,071,685)	(1,066,549)	5,136
Net other financing sources (uses)	(249,715)	(243,215)	(238,576)	4,639
<b>Net change in fund balance</b>	<b>-</b>	<b>(1,742,078)</b>	<b>2,032,855</b>	<b>3,774,933</b>
<b>Fund balance - beginning</b>	<b>2,700,427</b>	<b>2,700,427</b>	<b>2,700,427</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 2,700,427</b>	<b>\$ 958,349</b>	<b>\$ 4,733,282</b>	<b>\$ 3,774,933</b>

*The accompanying notes are an integral part of these financial statements.*

**Jackson County, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Utility Fee Fund**  
**Budget and Actual**

*For the year ended September 30, 2018*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 2,625,000	\$ 2,825,000	\$ 2,818,271	\$ (6,729)
Investment earnings	250	250	344	94
<b>Total revenues</b>	<b>2,625,250</b>	<b>2,825,250</b>	<b>2,818,615</b>	<b>(6,635)</b>
Excess (deficiency) of revenues over (under) expenditures	2,625,250	2,825,250	2,818,615	(6,635)
<b>Other financing sources (uses)</b>				
Transfers out	(2,575,250)	(2,575,250)	(2,575,250)	-
Net other financing sources (uses)	(2,575,250)	(2,575,250)	(2,575,250)	-
<b>Net change in fund balance</b>	<b>50,000</b>	<b>250,000</b>	<b>243,365</b>	<b>(6,635)</b>
<b>Fund balance - beginning</b>	<b>245,587</b>	<b>245,587</b>	<b>245,587</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 295,587</b>	<b>\$ 495,587</b>	<b>\$ 488,952</b>	<b>\$ (6,635)</b>

*The accompanying notes are an integral part of these financial statements.*

**Jackson County, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**Page 1 of 2**

September 30, 2018

	<b>BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS</b>		
	<b>Jackson Water/Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 406,202	\$ 22,183	\$ 428,385
Accounts receivable, net	107,719	12,957	120,676
Inventory	31,142	-	31,142
Due from other funds	-	111,088	111,088
Due from other governments	846,948	-	846,948
<b>Total current assets</b>	<b>1,392,011</b>	<b>146,228</b>	<b>1,538,239</b>
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	77,931	8,310	86,241
Equity in pooled investments	47,464	-	47,464
Capital assets			
Nondepreciable	1,891,306	41,641	1,932,947
Depreciable, net	9,501,941	782,240	10,284,181
<b>Total noncurrent assets</b>	<b>11,518,642</b>	<b>832,191</b>	<b>12,350,833</b>
<b>Total assets</b>	<b>12,910,653</b>	<b>978,419</b>	<b>13,889,072</b>
<b>Deferred outflows of resources</b>			
Pension deferrals	84,658	63,001	147,659
<b>Total deferred outflows of resources</b>	<b>84,658</b>	<b>63,001</b>	<b>147,659</b>

*The accompanying notes are an integral part of these financial statements.*

**Jackson County, Florida**  
**Statement of Net Position**  
**Proprietary Funds**  
**Page 2 of 2**

September 30, 2018

	<b>BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS</b>		
	<b>Jackson Water/Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 327,602	\$ 22,104	\$ 349,706
Accrued interest payable	7,987	-	7,987
Due to other funds	1,196,000	28,909	1,224,909
Liabilities payable from restricted assets	56,625	8,310	64,935
Bonds payable - current	161,588	-	161,588
<b>Total current liabilities</b>	<b>1,749,802</b>	<b>59,323</b>	<b>1,809,125</b>
Noncurrent liabilities			
Revenue bonds payable	3,294,087	-	3,294,087
Net pension liability	203,596	151,511	355,107
<b>Total noncurrent liabilities</b>	<b>3,497,683</b>	<b>151,511</b>	<b>3,649,194</b>
<b>Total liabilities</b>	<b>5,247,485</b>	<b>210,834</b>	<b>5,458,319</b>
<b>Deferred Inflows of resources</b>			
Pension deferrals	23,418	17,428	40,846
<b>Total deferred inflows of resources</b>	<b>23,418</b>	<b>17,428</b>	<b>40,846</b>
<b>Net position</b>			
Net investment in capital assets	7,937,572	823,881	8,761,453
Restricted for			
Debt service	60,783	-	60,783
Unrestricted (deficit)	(273,947)	(10,723)	(284,670)
<b>Total net position</b>	<b>\$ 7,724,408</b>	<b>\$ 813,158</b>	<b>\$ 8,537,566</b>

*The accompanying notes are an integral part of these financial statements.*



**Jackson County, Florida**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**

*For the year ended September 30, 2018*

	<b>BUSINESS -TYPE ACTIVITIES/ENTERPRISE FUNDS</b>		
	<b>Jackson Water/Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Operating revenues</b>			
Charges for services	\$ 1,150,359	\$ 233,786	\$ 1,384,145
<b>Total operating revenues</b>	<b>1,150,359</b>	<b>233,786</b>	<b>1,384,145</b>
<b>Operating expenses</b>			
Personal services	251,264	367,811	619,075
Utilities	141,905	17,906	159,811
Services and supplies	300,075	97,053	397,128
Repairs and maintenance	50,093	67,810	117,903
Other operating expenses	-	3,149	3,149
Depreciation	279,034	81,644	360,678
<b>Total operating expenses</b>	<b>1,022,371</b>	<b>635,373</b>	<b>1,657,744</b>
<b>Net operating income (loss)</b>	<b>127,988</b>	<b>(401,587)</b>	<b>(273,599)</b>
<b>Nonoperating revenues (expenses)</b>			
Interest income	16,652	3	16,655
Interest expense	(99,542)	-	(99,542)
Miscellaneous revenue	-	11,463	11,463
<b>Total nonoperating revenues (expenses)</b>	<b>(82,890)</b>	<b>11,466</b>	<b>(71,424)</b>
<b>Income (loss) before contributions and transfers</b>	<b>45,098</b>	<b>(390,121)</b>	<b>(345,023)</b>
Capital contributions	854,708	-	854,708
Transfers, net	-	379,362	379,362
<b>Change in net position</b>	<b>899,806</b>	<b>(10,759)</b>	<b>889,047</b>
<b>Total net position - beginning</b>	<b>6,793,460</b>	<b>823,917</b>	<b>7,617,377</b>
<b>Prior Period Adjustment - Inventory, see note 24</b>	<b>31,142</b>	<b>-</b>	<b>31,142</b>
<b>Total net position - beginning as restated</b>	<b>6,824,602</b>	<b>823,917</b>	<b>7,648,519</b>
<b>Total net position - ending</b>	<b>\$ 7,724,408</b>	<b>\$ 813,158</b>	<b>\$ 8,537,566</b>

*The accompanying notes are an integral part of these financial statements.*

**Jackson County, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Page 1 of 2**

*For the year ended September 30, 2018*

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
<b>Operating activities</b>			
Receipts from customers and users	\$ 438,588	\$ 236,488	\$ 675,076
Payments to suppliers	(210,692)	(193,796)	(404,488)
Payments to employees	(237,441)	(357,524)	(594,965)
Net cash used in operating activities	(9,545)	(314,832)	(324,377)
<b>Noncapital financing activities</b>			
Transfers to/from other funds	-	379,363	379,363
Advance from/to other funds	1,196,000	(21,035)	1,174,965
Net cash provided by noncapital financing activities	1,196,000	358,328	1,554,328
<b>Capital and related financing activities</b>			
Capital contributions	854,708	-	854,708
Purchase of capital assets	(1,587,746)	(85,092)	(1,672,838)
Principal payments on capital debt	(155,768)	-	(155,768)
Interest payments on capital debt	(99,902)	-	(99,902)
Other receipts	-	11,462	11,462
Net cash used in capital and related financing activities	(988,708)	(73,630)	(1,062,338)
<b>Investing activities</b>			
Purchase of investments	(893)	-	(893)
Interest and dividends	16,652	2	16,654
Net cash provided by investing activities	15,759	2	15,761
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>213,506</b>	<b>(30,132)</b>	<b>183,374</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>270,627</b>	<b>60,625</b>	<b>331,252</b>
<b>Cash and cash equivalents - ending of the year</b>	<b>\$ 484,133</b>	<b>\$ 30,493</b>	<b>\$ 514,626</b>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>			
Cash and cash equivalents	\$ 406,202	\$ 22,183	\$ 428,385
Restricted cash and cash equivalents	77,931	8,310	86,241
<b>Total cash and cash equivalents</b>	<b>\$ 484,133</b>	<b>\$ 30,493</b>	<b>\$ 514,626</b>

*The accompanying notes are an integral part of these financial statements.*

**Jackson County, Florida**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Page 2 of 2**

*For the year ended September 30, 2018*

	<b>BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS</b>		
	<b>Jackson Water/Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Reconciliation of net operating income to net cash used in operating activities</b>			
Net operating income (loss)	\$ 127,988	\$ (401,587)	\$ (273,599)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	279,034	81,644	360,678
(Increase) decrease in accounts receivable	(9,569)	412	(9,157)
(Increase) decrease in due from other governments	(717,013)	-	(717,013)
(Increase) decrease in deposits	14,811	2,290	17,101
Increase (decrease) in accounts payable	295,204	2,409	297,613
		-	
<b>Net cash used in operating activities</b>	<b>\$ (9,545)</b>	<b>\$ (314,832)</b>	<b>\$ (324,377)</b>

*The accompanying notes are an integral part of these financial statements.*

**Jackson County, Florida**  
**Statement of Fiduciary Net Position**  
**Agency Funds**

*September 30, 2018*

	<b>Agency Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,092,864
<b>Total assets</b>	<b>\$ 1,092,864</b>
<b>Liabilities</b>	
Due to others	\$ 681,823
Due to the Board	43
Due to other governments	410,998
<b>Total liabilities</b>	<b>\$ 1,092,864</b>

*The accompanying notes are an integral part of these financial statements.*

## Jackson County, Florida Notes to Financial Statements

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jackson County, Florida (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units in accordance with the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the County's Basic Financial Statements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended September 30, 2018.

#### **Reporting Entity**

Jackson County, Florida, located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 50,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The County was established August 12, 1822, by the First Session of the Territorial Legislative Council. It is governed by a five-member elected Board of County Commissioners (the "Board"), which derives its authority from Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The elected offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. These constitutional officers operate on a budget system whereby County-appropriated funds are received from the Board with unexpended funds returned to the Board. The Tax Collector and Clerk of the Circuit Court also operate as a fee officer by retaining various fees collected by these offices. The Clerk of the Circuit Court also receives appropriated funds from the State of Florida to fund court-related activities. Separate accounting records and budgets are maintained by each individual office.

Blended component unit - The Jackson County Agriculture Center (Ag Center), a separate independent district from the County, is governed by a five member Board appointed by the Board of County Commissioners. The Ag Center was originally formed January 24, 1957 by the Governor of the State of Florida. For financial reporting purposes, the Ag Center is blended in the financial statements of the County as part of the special revenue funds.

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

**Government-wide and Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County, as a whole, excluding fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Individual funds are not displayed but the statement distinguishes 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 function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net position for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and nonmajor funds in the aggregate for governmental funds. Reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



## Jackson County, Florida Notes to Financial Statements

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, considered to be sixty days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Major revenue sources susceptible to accrual include: sales and use taxes, various motor fuel taxes, property taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

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

The County's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting and the economic resources measurement focus. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Proprietary Funds are charges to customers for sales and services. Operating expenses for the Proprietary Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

When expenditures are incurred for which committed, assigned or unassigned amounts could be used, it is the County's policy to use them in that order.

The County reports the following major governmental funds:

**General Fund** - The general fund is the Board's primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.



## Jackson County, Florida Notes to Financial Statements

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

**Fines and Forfeitures** - This fund accounts for the fines and fees collected and remitted by the Clerk of the Courts. In addition, this fund accounts for grants and other funds collected for the purpose of law enforcement and court costs.

**Transportation Trust** - This fund accounts for the County's county gas tax revenue, motor fuel taxes and other shared revenue earmarked for general and administrative operations costs of the Public Works Department.

**Road Construction** - This fund accounts for the various revenues provided for the resurfacing and improving roads throughout the County.

**Utility Fee Fund** – This fund accounts for the Board's utility fee tax funds.

The County reports the following major proprietary fund:

**Jackson Water/Sewer System** - This fund accounts for the revenues and expenses, capital assets and debt for the utility department of the County.

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.

The County reports the following blended component units:

**Jackson County Ag Center** – The Ag Center fund is used to account for the rental activity and maintenance of the Jackson County Ag Center complex.



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

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

**Budgets and Budgetary Accounting**

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the County's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the Board.

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 budgeted revenue and expenditures appropriated by the Board of County Commissioners only. 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 Expenditures</b>	<b>Total Revenue</b>
GAAP basis	\$ 912,268	\$ 2,630
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(2,630)	(2,630)
<b>Budgetary basis</b>	<b>\$ 909,638</b>	<b>\$ -</b>

**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.

**Investments**

Investments consist of those deposits made locally in commercial banks with a maturity date greater than three months of the date acquired by the government.

**Equity in Pooled Investments**

Equity in pooled investments 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.

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

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

**Receivables**

Receivables are shown at their net realizable value. See Note 5 for allowance for doubtful accounts.

**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.”

**Inventories**

Inventory consists of fuel, parts, and supplies. Inventory is valued at lower of cost or net realizable value. The County accounts for inventory in governmental funds using the consumption method.

**Capital Assets**

The County’s capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, storm water system, sidewalks, and similar items), are reported in the capital asset accounts of the County. Property and equipment with initial, individual costs that exceed \$5,000 and an estimated useful life in excess of one year are recorded as capital assets. Buildings, roads, bridges, and sidewalks are capitalized when their initial costs exceed \$5,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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 maintains its own property records.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements, other than buildings	10-50
Machinery and equipment	3-30

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.

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

**Prepaid Expenses**

General fund expenditures for insurance and similar services extending over more than one accounting period are accounted for as expenditures in the period of acquisition.

**Unearned revenues**

The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned 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 unearned revenues.

**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*.

All full time employees of the Board are entitled to an annual vacation and sick leave with pay. The employees are generally allowed to accumulate vacation leave of 280 hours. Upon termination the employee is paid 25% of accumulated sick leave up to 480, if the employee has 10 years or more of service to the Board. Vacation pay and sick leave payments are included in operating costs when the payments are made to the employees. The estimated commitment for annual leave at September 30, 2018 was \$1,457,339.

**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.

**Governmental Fund Balances**

The County adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 14.

## Jackson County, Florida Notes to Financial Statements

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

#### Net Position

For the year ended September 30, 2018, the County reports net position as restricted or unrestricted. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is comprised of all other balances, including committed, assigned and unassigned. Net investment in capital assets includes capital assets less accumulated depreciation and outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

#### 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 Board 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 the Independent Auditors' Report which is the date the financial statements were available to be issued.

#### Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

#### Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that future time.

#### New Accounting Standards Adopted

In fiscal year 2018, the County adopted four new statements of financial accounting standards issued by the GASB:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75)
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81)
- GASB Statement No. 85, *Omnibus 2017* (GASB 85)
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* (GASB 86)

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

**New Accounting Standards Adopted (continued)**

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that is provided to employees of state and local governmental employers through OPEB Plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. It replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans*. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of this statement resulted in a restatement of the County's 2017 government-wide financial statements net position in the amount of (\$1,658,000) to reflect the reporting of the net OPEB liability. Changes in this liability from year to year will largely be reflected on the statement of activities, though certain amounts will be deferred and amortized over varying periods.

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the County's financial statements as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the County's current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the County's financial statements as a result of the implementation of GASB 86.

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

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

**Pronouncements Issued But Not Yet Effective**

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the County upon implementation. Management has not yet evaluated the effect of implementation of these standards.

<b>GASB Statement No.</b>	<b>GASB Accounting Standard</b>	<b>Effective Fiscal Year</b>
83	<i>Certain Asset Retirement Obligations</i>	2019
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
88	<i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</i>	2019
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020
91	<i>Conduit Debt Obligations</i>	2021

**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 2018 millage rate assessed by the County was 7.9000 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.

On or prior to June 1, following the tax year, tax 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.

**NOTE 3 - CASH AND INVESTMENTS**

At year end, the carrying amount of the County's deposits was \$27,646,814 and the bank balance was \$29,915,204. 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 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 (PRIME Fund). At September 30, 2018, the net realizable value and the carrying value of these funds was \$945,677. The funds are carried as equity in pooled investments on the balance sheet at September 30, 2018.

The PRIME Fund is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the PRIME Fund. As a pool participant, the County owns a share of the respective pool, not the underlying securities.

The PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in PRIME is at amortized cost. Additional information and investment policies regarding the PRIME Fund may be obtained from the State Board of Administration at [www.sbafl.com/prime](http://www.sbafl.com/prime). There are no restrictions or limitations on withdrawals; however, the PRIME Fund may on the occurrence of an event that has material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

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

**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, 2018, the County's investment in the PRIME Fundis rated by Standard and Poors and the current rating is AAAM.

**Interest Rate Risk**

The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2018, is 33 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2018, is 72 days.

**Custodial Credit Risk**

At September 30, 2018, 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, 2018, the County did not hold any investments that were considered to have a concentration of credit risk.

**Foreign Currency Risk**

At September 30, 2018, the County did not hold any investments that were considered to have a foreign currency risk.

**Fair Value Measurement and Application**

Governmental entities are required to record investments at fair value unless an exception applies and disclose the fair value measurement and hierarchy. Paragraph 69 of GASB 72 lists several investments that should be measured as described in GASB Statement 31 which includes investments in nonparticipating interest-earning investment contracts (certificates of deposit) and money market investments that have a maturity at the time of purchase of one year or less. At September 30, 2018, the County's investments consisted of non-negotiable certificates of deposits which are recorded at cost and are excluded from fair value measurement.

All County depositories are banks or savings institutions designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to ensure monies in banks and savings institutions are collateralized with the Treasurer as an agent for the public entities. All County cash consists of checking accounts and interest-bearing time deposits in a local bank.

For the statement of cash flows, the County considers cash and cash equivalents to include cash and cash equivalents and restricted cash.



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

**NOTE 4 - RESTRICTED ASSETS**

The General Fund's cash, investments and equity in pooled investments are restricted as follows:

	Amount
Technology escrow	\$ 108,727
Supervisor of Elections - Grants	23,416
<b>Total</b>	<b>\$ 132,143</b>

The Transportation Trust Fund's equity in pooled investments is restricted for the sick leave buyback program in the amount of \$230,220 and cash is restricted for ongoing FEMA projects in the amount of \$5,451,354.

The Nonmajor Governmental funds' cash is restricted for other programs in the amount of \$3,430,131.

Certain Enterprise Fund assets are restricted for debt service and future extension and improvements. Impact fees are recorded as contributed capital and may only be used for extensions to the Water System. The Jackson County Water/Sewer Fund's cash is restricted as follows:

	Amount
Debt service	\$ 21,306
Customer deposits	64,935
Investment extension and improvements	47,464
<b>Total</b>	<b>\$ 133,705</b>

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

**NOTE 5 - ACCOUNTS RECEIVABLE**

Accounts receivable of the Fire/Rescue Department is accounted for in the County's General Fund. Accounts receivable in the Fire/Rescue Department totaled \$2,658,602 and are shown net of the allowance for doubtful accounts and contractual adjustments of \$2,180,129. This allowance represents an uncollected billing ratio based on past history of collections and aged accounts receivable listings.

Accounts receivable for the General fund includes \$661,453 from franchise fees and royalties related to private landfills and reimbursement from the Counties health reimbursement account and \$35,616 in miscellaneous receivables.

Accounts receivables for the Enterprise Fund are from various utility customers. No allowance for uncollectible accounts is deemed to be necessary.

**NOTE 6 - INTERFUND BALANCES**

Balances due to/from other funds at September 30, 2018 are as follows:

<b>Receivable Fund</b>	<b>Payable Fund</b>		
General fund	Utility Fee fund	\$ 1,575,250	
	Transportation Trust	116,061	
	Road Construction	58,561	
	Nonmajor governmental funds:		
	Other special revenue funds	138,690	
	Proprietary funds:		
	Parks and Recreation	25,556	
	Jackson County Utilities	1,196,000	
	Transportation Trust	General Fund	35,495
		Proprietary funds:	
Parks and Recreation		113	
Nonmajor governmental funds:			
Other special revenue funds		605,481	
Fine and Forfeitures	General fund	192,179	
	Nonmajor governmental funds:		
	Other special revenue funds	5,005	
Road Construction	General fund	1,257,362	
	Transportation Trust	827,973	
Jackson Recycling	General fund	111,088	
Nonmajor governmental funds	General fund	256,005	
	Agency Funds	43	
	Proprietary funds:		
	Jackson Recycling	3,237	
	Parks and Recreation	3	
	Nonmajor governmental funds:		
Other special revenue funds	116		
<b>Total</b>		<b>\$ 6,404,218</b>	

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

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

The General Fund and Fine and Forfeitures have amounts due to and from constitutional officers, which represent the return of excess monies due at the end of the fiscal year, from either budget officers or fee officers. All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

Interfund transfers for the year ended September 30, 2018, consisted of the following:

<b>Transfers to General Fund from:</b>		
Fines and Forfeitures	\$ 4,833,161	
Utility Fee Fund	2,575,250	
Total		\$ 7,408,411
<b>Transfers to Fines and Forfeiture from:</b>		
General Fund	113,524	
Nonmajor Governmental fund	225,716	
Total		339,240
<b>Transfers to Transportation Trust from:</b>		
General Fund	1,891,435	
Nonmajor Governmental fund	2,206,040	
Total		4,097,475
<b>Transfers to Road Construction from:</b>		
Transportation Trust		827,973
<b>Transfers to Nonmajor Governmental Funds from:</b>		
General fund	596,980	
Road Construction	1,066,549	
Nonmajor Governmental funds	62,970	
Total		1,726,499
Subtotal		14,399,598
<b>Transfers to Proprietary funds from:</b>		
General fund		379,362
Total interfund transfers		\$ 14,778,960

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

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

Transfers are used to (1) use fines and forfeiture revenues to finance sheriff's department expenses and use utility fees to finance general operating activities that are accounted for in general fund, (2) use revenue from inmate welfare fund to cover cost relating to inmate welfare expenses in other fund and use grant revenue to cover personnel expense of the Drug Task force, (3) use local option gas tax to cover road and bridge operating expenses, (4) transfer fiscally constrained revenue to fund road paving expenditures in local option gas tax fund, (5) use local option gas tax to cover road construction projects, (6) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in other special revenue funds, (7) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in the proprietary funds.

**NOTE 7 - DUE FROM OTHER GOVERNMENTS**

Due from other governments consists of funds earned as of September 30, 2018, but not yet received by the County. The majority of these amounts were received in October and November 2018.

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2018, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,814,417	\$ -	\$ -	\$ 2,814,417
Construction in progress	2,501,690	4,583,786	3,395,638	3,689,838
<b>Total capital assets, not being depreciated</b>	<b>5,316,107</b>	<b>4,583,786</b>	<b>3,395,638</b>	<b>6,504,255</b>
Capital assets, being depreciated:				
Buildings and improvements	39,738,217	57,412	-	39,795,629
Equipment	21,266,926	1,498,421	213,499	22,551,848
Roads	51,166,044	3,395,638	-	54,561,682
Infrastructure - Sidewalks	1,476,196	-	-	1,476,196
<b>Total capital assets, being depreciated</b>	<b>113,647,383</b>	<b>4,951,471</b>	<b>213,499</b>	<b>118,385,355</b>
<b>Less: Total accumulated depreciation</b>	<b>51,557,403</b>	<b>4,376,473</b>	<b>86,042</b>	<b>55,847,834</b>
<b>Total capital assets, being depreciated, net</b>	<b>62,089,980</b>	<b>574,998</b>	<b>127,457</b>	<b>62,537,521</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 67,406,087</b>	<b>\$ 5,158,784</b>	<b>\$ 3,523,095</b>	<b>\$ 69,041,776</b>

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

**NOTE 8 - CAPITAL ASSETS (CONTINUED)**

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 46,641	\$ -	\$ -	\$ 46,641
Construction in progress	298,559	1,587,747	-	1,886,306
<b>Total capital assets, not being depreciated</b>	<b>345,200</b>	<b>1,587,747</b>	<b>-</b>	<b>1,932,947</b>
Capital assets, being depreciated:				
Equipment	15,637,099	85,092	-	15,722,191
<b>Total capital assets, being depreciated</b>	<b>15,637,099</b>	<b>85,092</b>	<b>-</b>	<b>15,722,191</b>
Less: Total accumulated depreciation	5,077,333	360,677	-	5,438,010
<b>Total capital assets, being depreciated, net</b>	<b>10,559,766</b>	<b>(275,585)</b>	<b>-</b>	<b>10,284,181</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 10,904,966</b>	<b>\$ 1,312,162</b>	<b>\$ -</b>	<b>\$ 12,217,128</b>

Depreciation expense for the year ended September 30, 2018 was charged to functions as follows:

<b>Governmental activities</b>	
General government	\$ 326,126
Public safety	803,147
Transportation	2,585,653
Economic environment	1,234
Culture and recreation	132,125
Human services	440,588
Court related	87,600
<b>Total depreciation expense-governmental activities</b>	<b>\$ 4,376,473</b>

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

**NOTE 8 - CAPITAL ASSETS (CONTINUED)**

<b>Business-type activities</b>	
Water and sewer	\$ 279,034
Recycling	16,854
Parks and recreation	64,790
<b>Total depreciation expense-business-type activities</b>	<b>\$ 360,678</b>

**NOTE 9 - LONG-TERM DEBT**

Long-term debt activity for the year ended September 30, 2018, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
<b>Governmental activities:</b>					
Revenue bonds	\$ 7,810,000	\$ -	\$ 901,000	\$ 6,909,000	\$ 922,000
Notes payable	263,000	-	51,000	212,000	51,000
Capital leases	2,794,508	-	140,010	2,654,498	148,677
Compensated absences	1,424,447	689,347	656,455	1,457,339	364,335
Other post-employment benefit obligations	1,657,000	1,779,000	-	3,436,000	-
Net pension liability	23,356,596	317,173	-	23,673,769	-
Landfill closure and post-closure costs	292,161	93,839	-	386,000	50,000
<b>Total governmental activities:</b>	<b>37,597,712</b>	<b>2,879,359</b>	<b>1,748,465</b>	<b>38,728,606</b>	<b>1,536,012</b>
<b>Business-type activities:</b>					
Revenue bonds	3,611,443	-	155,768	3,455,675	161,588
<b>Total</b>	<b>\$ 41,209,155</b>	<b>\$ 2,879,359</b>	<b>\$ 1,904,233</b>	<b>\$ 42,184,281</b>	<b>\$ 1,697,600</b>

Payments on the notes, leases payable, and sales tax revenue bonds 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.

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

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

Debt service requirements on long-term debt at September 30, 2018 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES			
	REVENUE BONDS		NOTES PAYABLE	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2019	\$ 922,000	\$ 150,300	\$ 51,000	\$ 3,805
2020	943,000	129,432	53,000	2,744
2021	964,000	108,101	53,000	1,663
2022	986,000	86,288	55,000	561
2023	1,008,000	63,979	-	-
2024-2025	2,086,000	52,985	-	-
Total	\$ 6,909,000	\$ 591,085	\$ 212,000	\$ 8,773

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES	
	CAPITAL LEASE	
	PRINCIPAL	INTEREST
2019	\$ 148,677	\$ 60,523
2020	157,705	57,133
2021	167,107	53,537
2022	176,900	49,727
2023	187,093	45,694
2024-2028	1,046,633	161,902
2029-2032	770,383	35,724
Total	\$ 2,654,498	\$ 464,240

FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES	
	REVENUE BONDS	
	PRINCIPAL	INTEREST
2019	\$ 161,588	\$ 94,171
2020	166,076	89,683
2021	170,689	85,071
2022	175,429	80,330
2023	180,301	75,458
2024-2025	979,460	299,377
2029-2033	1,123,241	155,556
2034-2036	498,891	17,335
Total	\$ 3,455,675	\$ 896,981

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

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**Governmental Activities**

**Revenue Bonds**

\$9,981,000, Gas Tax Revenue Bonds, Series 2014, payable in semi-annual installments of \$427,000 to \$530,000 through 2025, interest at 2.25%. Collateralized by pledged revenue generated from gas tax revenues including the Constitutional Gas Tax, Ninth Cent Fuel Tax and County Fuel Tax through 2025. The purpose of the debt was to finance construction of road improvements within Jackson County. The pledged revenue totaled \$2,896,980 and the debt service requirements totaled \$1,066,617 for the year ended September 30, 2018.

\$ 6,909,000

Total revenue bonds

\$ 6,909,000

**Notes Payable**

\$500,000, Series 2012 Note, payable in semi-annual installments of \$54,793 to \$55,845 through 2021, interest at 2.04%. Collateralized by pledged revenue generated from certain gas tax revenues.

\$ 212,000

Total notes payable

\$ 212,000

**Capital Leases**

\$2,933,650, Energy Retro-fit Lease, payable in annual installments of \$198,411 to \$276,050 through 2031, interest at 2.28%. Total assets acquired through the capital lease in the amount of \$2,933,650 are included in depreciable assets in the Statement of Net Position at September 30, 2018.

\$ 2,654,498

Total capital leases

\$ 2,654,498

**Business-Type Activities**

**Revenue Bonds**

\$3,910,000, Water and Sewer Revenue Bonds, Series 2015, payable in semi-annual installments of \$73,910 to \$126,096 through 2035, interest at 2.7583%. Collateralized by pledged revenue derived from the operation of the system through 2035. The purpose of the debt was to refinance the 1999A, 1999B and 2009 USDA loans. The pledged revenue totaled \$1,150,359 and the debt service requirements totaled \$225,670 for the year ended September 30, 2018.

\$ 3,455,675

Total revenue bonds

\$ 3,455,675



**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

Total interest expense for the year ended September 30, 2018 was \$99,542 for the business-type activities and \$232,494 for the governmental activities. Interest paid during the year ended September 30, 2018 was \$326,918.

**Long-term landfill closure and post-closure liability** – this obligation relates to long-term landfill post-closure costs. See also Note 17.

**NOTE 10 - RISK MANAGEMENT**

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

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

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. A separate insurance policy is carried for the aircraft.

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.

**NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY**

**Defined Benefit Plans**

The County participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

**Benefits Provided**

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

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

**NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)**

**Contributions**

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2018, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	6.60%	1.66%
Senior Management Service Class	22.40%	1.66%
Elected county officials' class	47.04%	1.66%
Special Risk	22.84%	1.66%
DROP	12.37%	1.66%
Reemployed retirees	4.96%	5.16%

The employer's contributions for the year ended September 30, 2018, were \$1,820,138 to the FRS and \$227,335 to the HIS.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2018, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2018, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2018. The County's proportions of the net pension liabilities were based on the County's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2018	\$ 19,236,871	\$ 4,436,898
Proportion at:		
Current measurement date	0.0638660	0.0419200
Prior measurement date	0.0639420	0.0415520
Pension expense (benefit)	\$ 3,358,448	\$ 313,876

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

**NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)**

**Deferred Outflows/Inflows of Resources Related to Pensions**

At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description</b>	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,629,652	\$ (59,149)	\$ 67,927	\$ (7,538)
Changes of assumptions	6,285,674	-	493,438	(469,106)
Net difference between projected and actual earnings on pension plan investments	-	(1,486,283)	2,679	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	723,413	(551,940)	77,030	(149,067)
County contributions subsequent to the measurement date	504,988	-	59,042	-
<b>Total</b>	<b>\$ 9,143,727</b>	<b>\$ (2,097,372)</b>	<b>\$ 700,116</b>	<b>\$ (625,711)</b>

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ended September 30, 2018. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30,</b>	<b>FRS</b>	<b>HIS</b>
2019	\$ 2,479,881	\$ 44,043
2020	1,719,069	44,918
2021	311,791	27,882
2022	1,151,812	(3,609)
2023	752,260	(73,165)
Thereafter	126,554	(24,706)
<b>Total</b>	<b>\$ 6,541,367</b>	<b>\$ 15,363</b>

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

**NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)**

**Actuarial Assumptions**

The total pension liability for each of the defined benefit plans, measured as of June 30, 2018, was determined by an actuarial valuation dated July 1, 2018, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	7.00%	N/A
Discount rate	7.00%	3.87%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013.

The following changes in key actuarial assumptions occurred in 2018:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.10% to 7.00%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.58% to 3.87%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

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

**NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>	<b>Standard Deviation</b>
Cash	1.0%	2.9%	2.9%	1.8%
Fixed Income	18.0%	4.4%	4.3%	4.0%
Global Equity	54.0%	7.6%	6.3%	17.0%
Real Estate (Property)	11.0%	6.6%	6.0%	11.3%
Private Equity	10.0%	10.7%	7.8%	26.5%
Strategic Investments	6.0%	6.0%	5.7%	8.6%
<b>Total</b>	<b>100.00%</b>			

**Discount Rate**

The discount rate used to measure the total pension liability for the FRS Pension Plan was 7.00%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	<b>FRS Net Pension Liability</b>		
	<b>Current</b>		
	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Governmental Employer's proportionate share of the net pension liability	\$ 34,581,475	\$ 18,948,317	\$ 5,964,057
Business-Type Employer's proportionate share of the net pension liability	\$ 526,621	\$ 288,554	\$ 90,823

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

**NOTE 11 - STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (CONTINUED)**

	HIS Net Pension Liability		
	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Governmental Employer's proportionate share of the net pension liability	\$ 4,977,566	\$ 4,370,345	\$ 3,864,189
Business-Type Employer's proportionate share of the net pension liability	\$ 75,801	\$ 66,553	\$ 58,846

**Pension Plans' Fiduciary Net Position**

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

**NOTE 12 - OTHER LIABILITIES**

At September 30, 2018, other liabilities in the Statement of Net Position include \$195,000 associated with the settlement of an outstanding workers' compensation claim. The settlement will be paid in annual installments of \$75,000 a year for two years with a remaining installment of \$45,000 in the final year.

**NOTE 13 - 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, 2018, 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.

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

**NOTE 14 - FUND BALANCE**

Spendable fund balances are classified based on a hierarchy of the County's ability to control the spending of these fund balances and are reported in the following categories: non-spendable, restricted, committed, assigned and unassigned. For the year ended September 30, 2018, the County reports net position as restricted, committed, assigned and unassigned. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed net position has amounts constrained by a specific purpose by the Board of County Commissioners. Assigned net position has constraints placed on the use of resources by the County's intent to use the resources for specific purposes. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

**Non-Spendable Fund Balance:**

<b>Funds</b>	<b>Purpose</b>		
General Fund	Funding for:		
	Prepays	\$	592
Transportation Trust	Funding for:		
	Inventory		112,385
<b>Total Non-Spendable Fund Balance</b>		<b>\$</b>	<b>112,977</b>

**Restricted Fund Balance:**

<b>Funds</b>	<b>Purpose</b>		
General Fund	Funding for:		
	Vessel fees	\$	108,727
	<b>Total General Fund</b>	<b>\$</b>	<b>108,727</b>
Special Revenue Fund	Nonmajor governmental funds		
	Gas Tax Bond Series 2014	1,377,781	
	Local Law Enforcement	112,550	
	Drug Court	35,470	
	Crime prevention	84,723	
	Courts Facility	1,249,189	
	JCTDC tax	2,223,066	
	Anti-drug abuse	26,807	
	Inmate Welfare Fund	93,957	
	Additional court costs	342,691	
	Contraband forfeitures	78,132	
	Modernization of public records	329,395	
	<b>Total nonmajor governmental funds</b>		<b>5,953,761</b>
<b>Total Restricted Fund Balance</b>		<b>\$</b>	<b>6,062,488</b>



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

**NOTE 14 - FUND BALANCE (CONTINUED)**

**Committed Fund Balance:**

<b>Funds</b>	<b>Purpose</b>		
General Fund	Funding for:		
	Sick Leave	\$ 285,091	
	Prior year Improvements	430,739	
	<b>Total General Fund</b>		<b>\$ 715,830</b>
Special Revenue Fund	Funding for:		
	Transportation Trust		230,223
	Road Construction		4,733,282
	Nonmajor governmental funds		
	Compass Lake MSTU	972,962	
	Court construction improvement	32,451	
	Law library	12,321	
	Law enforcement	19,052	
	Mosquito control	35,372	
	West Jackson County Dev. Authority	312,634	
	<b>Total nonmajor governmental funds</b>		<b>1,384,792</b>
	<b>Total Committed Fund Balance</b>		<b>\$ 7,064,127</b>

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

**NOTE 14 - FUND BALANCE (CONTINUED)**

**Assigned Fund Balance:**

<b>Funds</b>	<b>Purpose</b>			
General Fund	Funding for:			
	Administration Building Fund	\$	2,715,541	
	BP settlement funds		306,036	
	Tax Deeds		60,857	
	Wellness funds		26,895	
	Technology Escrow		85,502	
	Library donations		10,000	
	<hr/>			
	Total General Fund	\$	3,204,831	
Special Revenue Fund	Funding for:			
	Fines and Forfeitures		898,171	
	Transportation Trust		4,890,533	
	Utility Fee Fund		488,952	
	Nonmajor governmental funds			
	Local Option Gas Tax	661,045		
	Jackson County Ag Complex	292,215		
	Other Debt Service	105,151		
	E911	119,988		
	Sheriff Aviation	70,230		
	Emergency Management Grant	3,735		
	Contraband forfeitures	10,711		
	Compass Lake Forclosure	64		
	Solid Waste Recycling Grant	403		
<hr/>				
	Total nonmajor governmental funds		1,263,542	
<hr/>				
	Total Assigned Fund Balance	\$	10,746,029	

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

**NOTE 15 - LITIGATION AND CONTINGENT LIABILITIES**

The County is involved in various litigation arising from the ordinary course of business. In the opinion of legal counsel, the range of potential recoveries or liabilities in excess of insurance coverage, if any, is not reasonably determinable and no loss contingencies have been recorded. See also Note 18.

**NOTE 16 - RECLASSIFICATION**

Certain 2017 amounts have been reclassified to conform with 2018 classifications. Such reclassification had no effect on reported net income.

**NOTE 17 - LANDFILL CLOSURE/LONG-TERM CARE ESCROW**

The County is no longer required to maintain the landfill management escrow account because the required long-term care period for the landfill has passed. Specific Condition 5.0 Financial Assurance of Permit No. 0077605-004-SF states that the financial assurance for the landfill is not required. The monitoring at the site is for the continued contamination assessment as discussed in Note 18.

The Board has adopted GASB Statement No. 18, which requires recognition of landfill post-closure care costs in the Board's long-term debt. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions after closure. At September 30, 2018, the amount of \$386,000 in long-term debt recognizes the estimated cost to continue ground water monitoring until FDEP releases the site from further monitoring. The above estimate is based on current prices; actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 18 - COMMITMENTS AND CONTINGENCIES**

**Contractual Commitments**

At September 30, 2018, the Board had contractual commitments for construction projects, equipment purchases and leases in excess of amounts recognized in the financial statements.

Balances remaining on uncompleted contracts at September 30, 2018:

FDOT LAP Jackson Road Sidewalks	\$ 121,909
FDOT CIGP Merritts Mill Road	630,696
FDOT SCRAP Piano Road	7,690
Florida Springs Grant Indian Springs Extension	2,538,683
Florida Springs Grant Blue Springs Extension	354,434
Courthouse Renovation Project	76,920
Fire Station 22 Construction	1,525,000

**NOTE 18 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Workers Compensation Cases**

There are two workers compensation cases outstanding at year end that are associated with the Governmental Risk Insurance Trust (GRIT). The future medical costs of these claims are estimated to be approximately \$54,700 over ten years.

**Jackson County East Landfill—Remedial Action Plan**

Jones Edmunds & Associates, Inc. has been working with the County and the Florida Department of Environmental Protection (FDEP) to remediate contamination detected in the groundwater at the Jackson County East Landfill. The contamination is caused by migrating landfill gas in contact with the groundwater. FDEP evaluated the site and agreed that landfill gas was a problem and approved the installation of a landfill gas extraction system that was proposed by Jones, Edmunds & Assoc. and approved by the County. The landfill gas system was installed in 2010 with additional gas extraction wells installed in 2013. Since the landfill gas extraction system installation, the landfill gas in the waste has decreased and the groundwater contamination is decreasing.

As the site has been in assessment for over five years, FDEP requested a special comprehensive sampling event of all site groundwater wells in 2017. The special sampling event showed that the contamination continues to be situated onsite and the volatile organic parameter concentrations are decreasing. The landfill gas extraction system continues to work as designed and is remediating the groundwater at the site. Annual contamination trend analyses will continue to be submitted to FDEP.

In addition to the landfill gas system, part of the contamination remediation was to install replacement groundwater monitoring wells at the site as it appeared, from discrepancies in measured well depths, that six wells were damaged. FDEP required the wells to be replaced at a schedule of two wells per year for 3 years and all of the landfill monitoring wells have been replaced. This work has been completed and no additional wells are expected to be installed at this time.

Due to the contamination, FDEP is requiring continued groundwater monitoring past the end of long-term care at the landfill. The contamination assessment monitoring will have to continue until FDEP releases the site from further monitoring. Part of the contamination assessment monitoring is quarterly sampling of three off-site potable wells that are drinking water sources. The only potential receptors that may come into contact with the contamination are the users of the groundwater. The monitoring of these three potable wells will continue until the site no longer produces contamination.

In correspondence dated March 2017, FDEP requested a comprehensive well sampling event including all on-site wells and piezometers. The older wells that had not been sampled in recent years were redeveloped and the special comprehensive sampling event was conducted in November 2017. Based on the results of the comprehensive sampling event, FDEP requested that four wells be resampled to confirm the results from the 2017 comprehensive sampling event. The resample event was conducted and analytical results were submitted to FDEP in September 2018 resulting in the addition of two wells to the semiannual monitoring and sampling list.

Due to the impact of Hurricane Michael on the Jackson County area in October 2018 and the subsequent disaster clean-up and recovery efforts, FDEP granted the County an abeyance in sampling at Jackson County East Landfill until the First Quarter 2019 sampling event.

**NOTE 18 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

The annual groundwater monitoring and reporting to FDEP will be approximately \$50,000 per year. This includes:

- Quarterly monitoring of 3 off-site potable wells.
- Semiannual monitoring of six on-site groundwater wells and four on-site MOP wells.
- Annual water-quality trend analysis.
- Quarterly landfill gas monitoring and gas data trend analyses showing that the gas extraction system is working.

Hurricane Michael disaster clean-up and recovery efforts are on-going in Jackson County. Groundwater well and gas well repairs are underway at the landfill. However, additional clean-up will be necessary to access and repair some wells.

**NOTE 19 - 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 \$3 million.

Subsequent to year end, the County sustained damages to property, equipment and infrastructure as a result of Hurricane Michael. The total loss sustained is still unknown. While the County is insured, there will be uninsured losses particularly related to infrastructure. The County is seeking assistance from disaster related federal and state agencies, including the Federal Emergency Management Agency (FEMA).

**NOTE 19 - SUBSEQUENT EVENTS (CONTINUED)**

**Equipment Purchases**

Subsequent to year end, the Board purchased various fixed assets including vehicles and other equipment costing approximately \$1,002,922.

**Airplane Hanger**

Subsequent to year end, the Board entered into a purchase agreement for an airplane hanger. The purchase price was \$150,000 with \$38,333.33 to be paid in three annual installments beginning in April 2019.

**Debt**

Subsequent to year end, the Board executed a loan under Florida Local Government Finance Program in the amount of \$2,000,000. The intended purpose of the loan was to pay for Fire Rescue Station 22 and roof repairs to the Jackson County Correctional Facility.

Subsequent to year end, the Board executed an amendment to the State Revolving Fund Loan for the Indian Springs Sewer Extension. The amendment brings the total amount of the loan to \$1,548,404 and the total amount of grant funds to \$703,904. The amendment also extended the construction time by one year. This amendment was necessary due to Hurricane Michael which delayed the construction schedule.

Subsequent to year end, the Board executed a Line of Credit not to exceed \$20,050,000 with Regions Capital Advantage, Inc. The purpose of the loan is to fund Hurricane Michael expenditures until reimbursements from FEMA and the County's insurance carriers are received.

**NOTE 20 - COOPERATIVE AGREEMENT**

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$130,287.

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

**NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

The Board’s post-employment benefits other than pension activity are reported in the statement of net position in the County’s financial statements.

**Plan Description** – The Jackson County Board of County Commissioners (the “Board”) administers a single-employer defined benefit healthcare plan (the “Plan”). In accordance with Section 112.0801 of the Florida Statutes, because Jackson County provides a medical plan to active employees of the County and their eligible dependents, the Board is also required to provide retirees with the opportunity to participate in this Plan. The Plan provides healthcare benefits including medical coverage and life insurance coverage to both active and eligible retired employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the Board and the Constitutional officers. For regular, senior management service and elected officials, participants are eligible for normal retirement upon attaining the earlier of 1) six years of service and age 62 or 2) 30 years of service regardless of age. For Special Risk, participants are eligible for normal retirement upon attaining the earlier of 1) six years of special risk service and age 55 or 2) 25 total years of service consisting both of special risk service up to four years of military service and age 52 or 3) 25 total years of special risk service, regardless of age or 4) 30 years of any credible service, regardless of age.

**Benefits Provided** – The Board provides post-employment healthcare and life insurance to its retirees. Health benefits are provided through the Board’s healthcare provider, Blue Cross Blue Shield of Florida (BCBSFL). The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the County’s plan becomes secondary.

**Membership** – At September 30, 2018, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	321
Retirees and beneficiaries currently receiving benefits	34
Total membership	355
Participating employers	1

**Funding Policy** – A qualifying trust or agency fund has not been authorized by the Board. The Board negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2018 was \$189,554. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

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

**NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)**

The chart below shows the cost of the monthly retiree premiums at September 30, 2018.

Coverage	BCBS
Retiree	\$ 707.62
Retiree and Family	975.78
BlueMedicare (Retiree only)	399.89

**OPEB Liabilities and OPEB Expense** – At September 30, 2018, the County reported a liability of \$3,436,000 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2017. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2018, the County recognized OPEB expense of \$267,000.

The significant components of Other Post Employment Benefits follows:

	Total OPEB Liability	OPEB Expense
Balance at October 1, 2017	\$ 3,315,000	\$ -
Service cost	148,000	148,000
Interest cost	119,000	119,000
Benefit Payments	(146,000)	-
Balance as of fiscal year ended September 30, 2018	\$ 3,436,000	\$ 267,000



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

**NOTE 21 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)**

**Discount Rate** - Given the County's decision not to fund the program, all future benefit payments were discounted using the Municipal GO AA 20 -year yield curve rate of 3.50% as of September 29, 2017.

**Actuarial Method and Assumptions** – The total OPEB liability in the October 1, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Salary Increase Rate(s)	2.50%
Discount Rate	3.50%
Healthcare Cost Trend Rates	5.00%

All mortality rates were based on the RP-2000 combined mortality tables with full generational improvements in mortality using Scale BB.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the County's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (2.50%) or 1 percent point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% increase (4.50%)
Net OPEB Liability	\$ 3,884,000	\$ 3,436,000	\$ 3,063,000

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate** - The following presents the County's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (4.00%) or 1 percent point higher (6.00%) than the current healthcare cost trend rates:

	1% Decrease (4.00%)	Current Medical Trend (5.00%)	1% increase (6.00%)
Net OPEB Liability	\$ 3,303,000	\$ 3,436,000	\$ 3,595,000

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

**NOTE 22 - OPERATING LEASES**

The County leases various buildings and equipment under operating leases with yearly lease terms. Rental expense under operating leases for the year ended September 30, 2018 was \$261,340.

Minimum future lease payments under operating leases as of September 30, 2018 and for each year until expiration are:

2019	\$ 309,282
2020	243,698
2021	243,698
2022	121,850
<b>Total minimum future lease payments</b>	<b>\$ 918,528</b>

The County leases space to several governmental and not-for-profit organizations for zero or nominal rates, with leases expiring through 2024.

The future minimum lease payments due to the County are as follows for the years ending September 30:

2019	\$ 51,545
2020	67,326
2021	67,326
2022	67,326
2023	67,326
Thereafter	16,832
<b>Total</b>	<b>\$ 337,681</b>

**NOTE 23 – CHANGE IN ACCOUNTING PRINCIPLE**

The County restated the beginning net position of the governmental activities as follows to implement provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

	<b>Governmental</b>
Net position, beginning of the year, as previously reported after prior period adjustment, Note 24	\$ 64,383,055
Restatement:	
Net OPEB liability	(1,658,000)
<b>Net position, beginning of the year, as restated</b>	<b>\$ 62,725,055</b>

**NOTE 24 – PRIOR PERIOD ADJUSTMENT**

The beginning fund balance for the Water/Sewer Fund was restated by \$31,142 as of September 30, 2017 to correct an error related to inventory balances.

The beginning fund balance for the Transportation Trust Fund was restated by \$105,824 as of September 30, 2017 to correct an error related to inventory balances.

**NOTE 25 – HEALTH REIMBURSEMENT ARRANGEMENT PLAN**

The Jackson County BOCC (“Employer”) established the Jackson County BOCC Health Reimbursement Arrangement (HRA) Plan (“Plan”) effective October 1, 2017. This plan is intended to permit an Eligible Employee to obtain reimbursement of Medical Care Expenses on a nontaxable basis from his or her HRA Account. This Plan is intended to qualify as an employer-provided medical reimbursement plan under Code §§ 105 and 106 and regulations issued thereunder, and as a health reimbursement arrangement as defined under Internal Revenue Service (IRS) Notice 2002-45, and shall be interpreted to accomplish that objective. The Medical Care Expenses reimbursed under the Plan are intended to be eligible for exclusion from Participants’ gross income under Code § 105(b).

An individual is an Eligible Employee and may participate in this Plan if the individual is an Employee; regularly works 30 hours or more per week; has been employed by the Employer for at least 60 calendar days; and is enrolled in the Employer's major medical plan, counting his or her Employment Commencement Date as the first day of such period. Once an Employee becomes an Eligible Employee by meeting the Plan’s eligibility requirements and submitting an Enrollment Form to the Administrator, the Eligible Employee’s coverage under the Plan as a Participant will commence on the first day of the month coinciding with or following the date the eligibility requirements have been met. When an Eligible Employee becomes a Participant in accordance with Articles III and IV, a HRA Account will be established for such Participant to receive Benefits in the form of reimbursements for Medical Care Expenses. The Employer funds the full amount of the HRA Accounts. There are no Participant contributions for Benefits under the Plan. The Plan reimburses Participants for Medical Care Expenses up to the unused amount in the Participant’s HRA Account. The maximum dollar amount that may be credited to an HRA Account for an Employee who participates for an entire 12-month Period of Coverage is \$1,500.00 for employee-only coverage, \$2,000.00 for employee plus spouse coverage, \$2,000.00 for employee plus child coverage and \$2,000.00 for family coverage. If any balance remains in the Participant's HRA account after all reimbursements have been made for the Period of Coverage, such balance shall be forfeited.



**COMBINING FINANCIAL  
STATEMENTS**

Page 1 of 7  
**Jackson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2018

	Special Revenue Funds						
	Local Option Gas Tax	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax	MSTU	Bond Series 2014
<b>Assets</b>							
Cash and cash equivalents	\$ 503,528	\$ 58,706	\$ 671,797	\$ -	\$ -	\$ 656,145	\$ 1,596,679
Investments	-	-	-	-	1,593,877	-	-
Equity in pooled investments	7,239	90,297	-	-	197	-	-
Restricted cash and cash equivalents	-	-	-	1,260,028	543,090	-	270,217
Accounts receivable	-	-	-	-	-	402,536	-
Due from other funds	-	-	1,000	-	37,074	-	38,863
Due from other governmental units	453,939	57,267	-	19,186	59,796	-	-
<b>Total assets</b>	<b>\$ 964,706</b>	<b>\$ 206,270</b>	<b>\$ 672,797</b>	<b>\$ 1,279,214</b>	<b>\$ 2,234,034</b>	<b>\$ 1,058,681</b>	<b>\$ 1,905,759</b>
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ 37,552	\$ 44,876	\$ 382	\$ 30,025	\$ 10,968	\$ 6,772	\$ 286,544
Due to other funds	266,109	41,406	15	-	-	78,947	241,434
Due to other governmental units	-	-	-	-	-	-	-
Unearned revenue	-	-	672,400	-	-	-	-
<b>Total liabilities</b>	<b>303,661</b>	<b>86,282</b>	<b>672,797</b>	<b>30,025</b>	<b>10,968</b>	<b>85,719</b>	<b>527,978</b>
<b>Fund balances</b>							
Restricted	-	-	-	1,249,189	2,223,066	-	1,377,781
Committed	-	-	-	-	-	972,962	-
Assigned	661,045	119,988	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>661,045</b>	<b>119,988</b>	<b>-</b>	<b>1,249,189</b>	<b>2,223,066</b>	<b>972,962</b>	<b>1,377,781</b>
<b>Total liabilities and fund balances</b>	<b>\$ 964,706</b>	<b>\$ 206,270</b>	<b>\$ 672,797</b>	<b>\$ 1,279,214</b>	<b>\$ 2,234,034</b>	<b>\$ 1,058,681</b>	<b>\$ 1,905,759</b>

See Independent Auditors' Report

Page 2 of 7  
**Jackson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2018

	Special Revenue Funds						
	Law Library Fund	Local Law Enforcement	Drug Court	Alcohol and Drug Abuse Fund	Library Grant Fund	Contraband Forfeitures Fund	Mosquito Control
<b>Assets</b>							
Cash and cash equivalents	\$ 12,562	\$ -	\$ -	\$ -	\$ -	\$ 10,711	\$ 109,042
Investments	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	104,788	35,438	2,497	145,773	-	-
Accounts receivable	-	7,762	-	19	200,000	-	-
Due from other funds	-	-	-	-	108,255	-	36,234
Due from other governmental units	-	-	80	-	-	-	-
<b>Total assets</b>	<b>\$ 12,562</b>	<b>\$ 112,550</b>	<b>\$ 35,518</b>	<b>\$ 2,516</b>	<b>\$ 454,028</b>	<b>\$ 10,711</b>	<b>\$ 145,276</b>
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ 241	\$ -	\$ 48	\$ -	\$ 216,333	\$ -	\$ 33,423
Due to other funds	-	-	-	-	-	-	-
Due to other governmental units	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	237,695	-	76,481
<b>Total liabilities</b>	<b>241</b>	<b>-</b>	<b>48</b>	<b>-</b>	<b>454,028</b>	<b>-</b>	<b>109,904</b>
<b>Fund balances</b>							
Restricted	-	112,550	35,470	2,516	-	-	-
Committed	12,321	-	-	-	-	-	35,372
Assigned	-	-	-	-	-	10,711	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>12,321</b>	<b>112,550</b>	<b>35,470</b>	<b>2,516</b>	<b>-</b>	<b>10,711</b>	<b>35,372</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,562</b>	<b>\$ 112,550</b>	<b>\$ 35,518</b>	<b>\$ 2,516</b>	<b>\$ 454,028</b>	<b>\$ 10,711</b>	<b>\$ 145,276</b>

See Independent Auditors' Report

Page 3 of 7  
**Jackson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2018

	Special Revenue Funds						
	Compass Lake Foreclosure	Equitable Sharing	Crime Prevention	Article V Technology	Jackson County Agriculture Complex	JCAC Operation and Maintenance Fund	EMS County Award Grant
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 5,999	\$ 282,274	\$ 8,013	\$ 32,759
Investments	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	133,670	49,174	32,078	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	2	-	21,053	12,657	15	-
Due from other governmental units	-	-	953	3,062	300	-	-
<b>Total assets</b>	<b>\$ 133,670</b>	<b>\$ 49,176</b>	<b>\$ 33,031</b>	<b>\$ 30,114</b>	<b>\$ 295,231</b>	<b>\$ 8,028</b>	<b>\$ 32,759</b>
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 30,114	\$ 416	\$ 4,737	\$ 12,982
Due to other funds	-	-	-	-	-	3,291	-
Due to other governmental units	133,606	-	-	-	-	-	-
Unearned revenue	-	-	-	-	2,600	-	16,042
<b>Total liabilities</b>	<b>133,606</b>	<b>-</b>	<b>-</b>	<b>30,114</b>	<b>3,016</b>	<b>8,028</b>	<b>29,024</b>
<b>Fund balances</b>							
Restricted	-	49,176	33,031	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	64	-	-	-	292,215	-	3,735
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>64</b>	<b>49,176</b>	<b>33,031</b>	<b>-</b>	<b>292,215</b>	<b>-</b>	<b>3,735</b>
<b>Total liabilities and fund balances</b>	<b>\$ 133,670</b>	<b>\$ 49,176</b>	<b>\$ 33,031</b>	<b>\$ 30,114</b>	<b>\$ 295,231</b>	<b>\$ 8,028</b>	<b>\$ 32,759</b>

See Independent Auditors' Report

Page 4 of 7  
**Jackson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2018

	Special Revenue Funds							
	Hazardous Material Grant	Emergency Management Grant	Solid Waste Recycling Grant	Court Construction Improvements	Russ House Fund	Sheriff Aviation Fund	West Jackson County Development Authority	
<b>Assets</b>								
Cash and cash equivalents	\$	-	\$ 17,800	\$ 3,680	\$ 32,532	\$ 22,462	\$ 70,230	\$ 312,634
Investments	-	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	41,818	-	-	-
Due from other funds	-	3	2,029	-	-	-	-	-
Due from other governmental units	-	32,817	21,788	-	-	-	-	-
<b>Total assets</b>	<b>\$</b>	<b>-</b>	<b>\$ 50,620</b>	<b>\$ 27,497</b>	<b>\$ 32,532</b>	<b>\$ 64,280</b>	<b>\$ 70,230</b>	<b>\$ 312,634</b>
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$	-	\$ 7,464	\$ 1,814	\$ 81	\$ 4,259	-	-
Due to other funds	-	43,156	25,280	-	40,000	-	-	-
Due to other governmental units	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	925	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>50,620</b>	<b>27,094</b>	<b>81</b>	<b>45,184</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>								
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	32,451	-	-	-	312,634
Assigned	-	-	403	-	-	70,230	-	-
Unassigned	-	-	-	-	19,096	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>403</b>	<b>32,451</b>	<b>19,096</b>	<b>70,230</b>	<b>312,634</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>-</b>	<b>\$ 50,620</b>	<b>\$ 27,497</b>	<b>\$ 32,532</b>	<b>\$ 64,280</b>	<b>\$ 70,230</b>	<b>\$ 312,634</b>

See Independent Auditors' Report



Page 5 of 7  
**Jackson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2018

	<b>Special Revenue Funds</b>			
	<b>Jackson County Agriculture Center</b>	<b>Additional Court Cost Fund</b>	<b>Accounts Payable Clearing Fund</b>	<b>Drug Task Force Operating</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 4,245	\$ -	\$ 131,252	\$ -
Investments	-	-	-	-
Equity in pooled investments	-	-	-	-
Restricted cash and cash equivalents	-	343,742	-	26,879
Accounts receivable	7,020	-	-	-
Due from other funds	2,104	-	-	-
Due from other governmental units	-	3,825	-	-
<b>Total assets</b>	<b>\$ 13,369</b>	<b>\$ 347,567</b>	<b>\$ 131,252</b>	<b>\$ 26,879</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 11,024	\$ 4,876	\$ 125,898	\$ -
Due to other funds	15	-	5,354	72
Due to other governmental units	-	-	-	-
Unearned revenue	2,330	-	-	-
<b>Total liabilities</b>	<b>13,369</b>	<b>4,876</b>	<b>131,252</b>	<b>72</b>
<b>Fund balances</b>				
Restricted	-	342,691	-	26,807
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>342,691</b>	<b>-</b>	<b>26,807</b>
<b>Total liabilities and fund balances</b>	<b>\$ 13,369</b>	<b>\$ 347,567</b>	<b>\$ 131,252</b>	<b>\$ 26,879</b>

See Independent Auditors' Report

Page 6 of 7  
**Jackson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2018

	Special Revenue Funds			
	JCSO Posse	JCSO Reserve Fund	JCSO Auxiliary Fund	Clerk Modernization Trust Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 1,506	\$ 4,248	\$ 13,298	\$ -
Investments	-	-	-	-
Equity in pooled investments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	329,395
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
<b>Total assets</b>	<b>\$ 1,506</b>	<b>\$ 4,248</b>	<b>\$ 13,298</b>	<b>\$ 329,395</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
Restricted	-	-	-	329,395
Committed	1,506	4,248	13,298	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>1,506</b>	<b>4,248</b>	<b>13,298</b>	<b>329,395</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,506</b>	<b>\$ 4,248</b>	<b>\$ 13,298</b>	<b>\$ 329,395</b>

See Independent Auditors' Report

Page 7 of 7  
**Jackson County, Florida**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2018

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Debt Service Fund		
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	4,562,102
Investments	-	-	-	-	1,593,877
Equity in pooled investments	-	-	105,151	-	202,884
Restricted cash and cash equivalents	75,302	78,060	-	-	3,430,131
Accounts receivable	22,825	-	-	-	681,980
Due from other funds	43	72	-	-	259,404
Due from other governmental units	-	-	-	-	653,013
<b>Total assets</b>	<b>\$ 98,170</b>	<b>\$ 78,132</b>	<b>\$ 105,151</b>	<b>\$ -</b>	<b>\$ 11,383,391</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	870,829
Due to other funds	4,213	-	-	-	749,292
Due to other governmental units	-	-	-	-	133,606
Unearned revenue	-	-	-	-	1,008,473
<b>Total liabilities</b>	<b>4,213</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,762,200</b>
<b>Fund balances</b>					
Restricted	93,957	78,132	-	-	5,953,761
Committed	-	-	-	-	1,384,792
Assigned	-	-	105,151	-	1,263,542
Unassigned	-	-	-	-	19,096
<b>Total fund balances</b>	<b>93,957</b>	<b>78,132</b>	<b>105,151</b>	<b>-</b>	<b>8,621,191</b>
<b>Total liabilities and fund balances</b>	<b>\$ 98,170</b>	<b>\$ 78,132</b>	<b>\$ 105,151</b>	<b>\$ -</b>	<b>\$ 11,383,391</b>

See Independent Auditors' Report

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the year ended September 30, 2018

	Special Revenue Funds						
	Local Option Gas Tax	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax	MSTU	Gas Tax Bond Series 2014
<b>Revenues</b>							
Taxes	\$ 2,317,453	\$ -	\$ -	\$ -	\$ 369,223	\$ 691,714	\$ -
Intergovernmental	-	-	-	-	3,779	-	-
Charges for services	-	182,704	-	241,755	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	-	68,941	369,860	-	-	-	-
Investment earnings	137	1,698	84	-	15,881	-	871
Other fees and miscellaneous revenues	-	-	5,046	-	-	45,658	-
<b>Total revenues</b>	<b>2,317,590</b>	<b>253,343</b>	<b>374,990</b>	<b>241,755</b>	<b>388,883</b>	<b>737,372</b>	<b>871</b>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	217,732	-
Public health and safety	-	228,038	-	-	-	20,682	-
Physical environment	-	-	-	-	-	-	-
Transportation	66,572	-	-	-	-	78,810	89,694
Economic environment	-	-	374,990	-	195,828	-	-
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	19,584	-	-	-
Capital outlay	219,764	65,948	-	29,275	-	-	496,240
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	901,000
Interest and other charges	-	-	-	-	-	-	165,617
<b>Total expenditures</b>	<b>286,336</b>	<b>293,986</b>	<b>374,990</b>	<b>48,859</b>	<b>195,828</b>	<b>317,224</b>	<b>1,652,551</b>
Excess (deficiency) of revenues over (under) expenditures	2,031,254	(40,643)	-	192,896	193,055	420,148	(1,651,680)
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	1,066,549
Transfers out	(2,206,790)	-	-	(171,000)	-	-	-
<b>Net other financing sources (uses)</b>	<b>(2,206,790)</b>	<b>-</b>	<b>-</b>	<b>(171,000)</b>	<b>-</b>	<b>-</b>	<b>1,066,549</b>
<b>Net change in fund balances</b>	<b>(175,536)</b>	<b>(40,643)</b>	<b>-</b>	<b>21,896</b>	<b>193,055</b>	<b>420,148</b>	<b>(585,131)</b>
<b>Fund balances - beginning</b>	<b>836,581</b>	<b>160,631</b>	<b>-</b>	<b>1,227,293</b>	<b>2,030,011</b>	<b>552,814</b>	<b>1,962,912</b>
<b>Fund balances - ending</b>	<b>\$ 661,045</b>	<b>\$ 119,988</b>	<b>\$ -</b>	<b>\$ 1,249,189</b>	<b>\$ 2,223,066</b>	<b>\$ 972,962</b>	<b>\$ 1,377,781</b>

See Independent Auditors' Report

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the year ended September 30, 2018

	Special Revenue Funds						
	Law Library Fund	Local Law Enforcement	Drug Court	Alcohol and Drug Abuse Fund	Library Grant Fund	Contraband Forfeitures Fund	Mosquito Control
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	457	-	-	-
Fines and forfeitures	-	62,239	2,167	-	-	9,637	-
Grants	-	-	-	-	314,291	-	3,249
Investment earnings	49	337	-	-	10	-	2
Other fees and miscellaneous revenues	-	7,200	-	-	-	-	-
<b>Total revenues</b>	<b>49</b>	<b>69,776</b>	<b>2,167</b>	<b>457</b>	<b>314,301</b>	<b>9,637</b>	<b>3,251</b>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public health and safety	-	46,685	-	-	-	10,000	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	35,661
Culture/recreation	-	-	-	-	118,074	-	-
Court related	4,876	-	935	-	-	-	-
Capital outlay	-	11,000	-	-	519,481	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>4,876</b>	<b>57,685</b>	<b>935</b>	<b>-</b>	<b>637,555</b>	<b>10,000</b>	<b>35,661</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,827)</b>	<b>12,091</b>	<b>1,232</b>	<b>457</b>	<b>(323,254)</b>	<b>(363)</b>	<b>(32,410)</b>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	323,255	-	20,000
Transfers out	-	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323,255</b>	<b>-</b>	<b>20,000</b>
<b>Net change in fund balances</b>	<b>(4,827)</b>	<b>12,091</b>	<b>1,232</b>	<b>457</b>	<b>1</b>	<b>(363)</b>	<b>(12,410)</b>
<b>Fund balances - beginning</b>	<b>17,148</b>	<b>100,459</b>	<b>34,238</b>	<b>2,059</b>	<b>(1)</b>	<b>11,074</b>	<b>47,782</b>
<b>Fund balances - ending</b>	<b>\$ 12,321</b>	<b>\$ 112,550</b>	<b>\$ 35,470</b>	<b>\$ 2,516</b>	<b>\$ -</b>	<b>\$ 10,711</b>	<b>\$ 35,372</b>

See Independent Auditors' Report

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the year ended September 30, 2018

	Special Revenue Funds						
	Compass Lake Forfeitures	Equitable Sharing	Crime Prevention	Article V Technology	Jackson County Agriculture Complex	JCAC Operation and Maintenance Fund	EMS County Award Grant
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	6,541	-	-	-	-	-
Charges for services	-	-	10,468	45,888	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	14,409
Investment earnings	14	12	3	-	-	-	3
Other fees and miscellaneous revenues	-	-	-	209	132,155	-	-
<b>Total revenues</b>	<b>14</b>	<b>6,553</b>	<b>10,471</b>	<b>46,097</b>	<b>132,155</b>	<b>-</b>	<b>14,412</b>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	62,970	-
Public health and safety	-	31,965	13,933	-	-	-	14,412
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	99,051	-	-	-
Capital outlay	-	-	-	30,766	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>31,965</b>	<b>13,933</b>	<b>129,817</b>	<b>-</b>	<b>62,970</b>	<b>14,412</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>14</b>	<b>(25,412)</b>	<b>(3,462)</b>	<b>(83,720)</b>	<b>132,155</b>	<b>(62,970)</b>	<b>-</b>
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	83,719	-	62,970	-
Transfers out	-	-	-	-	(62,970)	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,719</b>	<b>(62,970)</b>	<b>62,970</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>14</b>	<b>(25,412)</b>	<b>(3,462)</b>	<b>(1)</b>	<b>69,185</b>	<b>-</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>50</b>	<b>74,588</b>	<b>36,493</b>	<b>1</b>	<b>223,030</b>	<b>-</b>	<b>3,735</b>
<b>Fund balances - ending</b>	<b>\$ 64</b>	<b>\$ 49,176</b>	<b>\$ 33,031</b>	<b>\$ -</b>	<b>\$ 292,215</b>	<b>\$ -</b>	<b>\$ 3,735</b>

See Independent Auditors' Report

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the year ended September 30, 2018

	Special Revenue Funds						West Jackson County Development Authority
	Hazardous Material Grant	Emergency Management Grant	Solid Waste Recycling Grant	Court Construction Improvements	Russ House Fund	Sheriff Aviation Fund	
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	-	-	-	-	41,818	17,625	-
Charges for services	-	-	-	-	10,102	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	3,547	154,538	90,909	-	-	-	-
Investment earnings	-	-	-	3	-	-	-
Other fees and miscellaneous revenues	-	-	-	-	2,284	-	13,688
<b>Total revenues</b>	<b>3,547</b>	<b>154,538</b>	<b>90,909</b>	<b>3</b>	<b>54,204</b>	<b>17,625</b>	<b>13,688</b>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public health and safety	-	197,312	-	-	-	10,105	-
Physical environment	3,547	-	90,909	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	29,706	-	61
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	5,055	-	-	-
Capital outlay	-	6,880	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,547</b>	<b>204,192</b>	<b>90,909</b>	<b>5,055</b>	<b>29,706</b>	<b>10,105</b>	<b>61</b>
Excess (deficiency) of revenues over (under) expenditures	-	(49,654)	-	(5,052)	24,498	7,520	13,627
<b>Other financing sources (uses)</b>							
Transfers in	-	49,655	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>49,655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(5,052)</b>	<b>24,498</b>	<b>7,520</b>	<b>13,627</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>(1)</b>	<b>403</b>	<b>37,503</b>	<b>(5,402)</b>	<b>62,710</b>	<b>299,007</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 403</b>	<b>\$ 32,451</b>	<b>\$ 19,096</b>	<b>\$ 70,230</b>	<b>\$ 312,634</b>

See Independent Auditors' Report

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

*For the year ended September 30, 2018*

	Special Revenue Funds			
	Jackson County Agriculture Center	Additional Court Cost Fund	Accounts Payable Clearing Fund	Drug Task Force Operating
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	31,225	46,720	-	-
Fines and forfeitures	-	-	-	-
Grants	-	-	-	-
Investment earnings	-	33	-	-
Other fees and miscellaneous revenues	14,520	-	-	290
<b>Total revenues</b>	<b>45,745</b>	<b>46,753</b>	<b>-</b>	<b>290</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public health and safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	11,679	-	-
Culture/recreation	166,096	-	-	-
Court related	-	29,277	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<b>166,096</b>	<b>40,956</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(120,351)</b>	<b>5,797</b>	<b>-</b>	<b>290</b>
<b>Other financing sources (uses)</b>				
Transfers in	120,351	-	-	-
Transfers out	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>120,351</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>5,797</b>	<b>-</b>	<b>290</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>336,894</b>	<b>-</b>	<b>26,517</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 342,691</b>	<b>\$ -</b>	<b>\$ 26,807</b>

*See Independent Auditors' Report*



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

*For the year ended September 30, 2018*

	Special Revenue Funds			
	JCSO Posse	JCSO Reserve Fund	JCSO Auxiliary Fund	Clerk Modernization Trust Fund
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	58,728
Fines and forfeitures	-	-	-	-
Grants	-	-	-	-
Investment earnings	-	-	-	-
Other fees and miscellaneous revenues	893	3,050	-	-
<b>Total revenues</b>	<b>893</b>	<b>3,050</b>	<b>-</b>	<b>58,728</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	11,245
Public health and safety	130	1,205	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture/recreation	-	-	-	-
Court related	-	-	-	836
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
<b>Total expenditures</b>	<b>130</b>	<b>1,205</b>	<b>-</b>	<b>12,081</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>763</b>	<b>1,845</b>	<b>-</b>	<b>46,647</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>763</b>	<b>1,845</b>	<b>-</b>	<b>46,647</b>
<b>Fund balances - beginning</b>	<b>743</b>	<b>2,403</b>	<b>13,298</b>	<b>282,748</b>
<b>Fund balances - ending</b>	<b>\$ 1,506</b>	<b>\$ 4,248</b>	<b>\$ 13,298</b>	<b>\$ 329,395</b>

*See Independent Auditors' Report*

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds

For the year ended September 30, 2018

	Special Revenue Funds		Debt Service Funds		Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Other Debt Service Funds		
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	3,378,390
Intergovernmental	-	-	-	-	69,763
Charges for services	167,638	-	-	-	795,685
Fines and forfeitures	-	44,851	-	-	118,894
Grants	-	-	-	-	1,019,744
Investment earnings	-	257	1,978	-	21,372
Other fees and miscellaneous revenues	-	-	-	-	224,993
<b>Total revenues</b>	<b>167,638</b>	<b>45,108</b>	<b>1,978</b>	<b>-</b>	<b>5,628,841</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	291,947
Public health and safety	116,902	5,418	-	-	696,787
Physical environment	-	-	-	-	94,456
Transportation	-	-	-	-	235,076
Economic environment	-	-	-	-	600,585
Human service	-	-	-	-	47,340
Culture/recreation	-	-	-	-	284,170
Court related	-	-	-	-	159,614
Capital outlay	16,742	22,608	-	-	1,418,704
Debt service					
Principal	-	-	-	-	901,000
Interest and other charges	-	-	-	-	165,617
<b>Total expenditures</b>	<b>133,644</b>	<b>28,026</b>	<b>-</b>	<b>-</b>	<b>4,895,296</b>
Excess (deficiency) of revenues over (under) expenditures	33,994	17,082	1,978	-	733,545
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	1,726,499
Transfers out	(53,966)	-	-	-	(2,494,726)
Net other financing sources (uses)	(53,966)	-	-	-	(768,227)
<b>Net change in fund balances</b>	<b>(19,972)</b>	<b>17,082</b>	<b>1,978</b>	<b>-</b>	<b>(34,682)</b>
<b>Fund balances - beginning</b>	<b>113,929</b>	<b>61,050</b>	<b>103,173</b>	<b>-</b>	<b>8,655,873</b>
<b>Fund balances - ending</b>	<b>\$ 93,957</b>	<b>\$ 78,132</b>	<b>\$ 105,151</b>	<b>\$ -</b>	<b>\$ 8,621,191</b>

See Independent Auditors' Report

**Jackson County, Florida**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**

*September 30, 2018*

	Parks and Recreation	Jackson Recycling	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 8,838	\$ 13,345	\$ 22,183
Accounts receivable, net	6,020	6,937	12,957
Due from other funds	-	111,088	111,088
Due from other governments	-	-	-
<b>Total current assets</b>	<b>14,858</b>	<b>131,370</b>	<b>146,228</b>
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	8,310	-	8,310
Capital assets			
Nondepreciable	-	41,641	41,641
Depreciable, net	680,702	101,538	782,240
<b>Total noncurrent assets</b>	<b>689,012</b>	<b>143,179</b>	<b>832,191</b>
<b>Total assets</b>	<b>703,870</b>	<b>274,549</b>	<b>978,419</b>
<b>Deferred outflows of resources</b>			
Pension deferrals	53,157	9,844	63,001
<b>Total deferred outflows of resources</b>	<b>53,157</b>	<b>9,844</b>	<b>63,001</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 18,090	\$ 4,014	\$ 22,104
Due to other funds	25,671	3,238	28,909
Liabilities payable from restricted assets	8,310	-	8,310
<b>Total current liabilities</b>	<b>52,071</b>	<b>7,252</b>	<b>59,323</b>
Noncurrent liabilities			
Net pension liability	127,838	23,673	151,511
<b>Total noncurrent liabilities</b>	<b>127,838</b>	<b>23,673</b>	<b>151,511</b>
<b>Total liabilities</b>	<b>179,909</b>	<b>30,925</b>	<b>210,834</b>
<b>Deferred inflows of resources</b>			
Pension deferrals	14,705	2,723	17,428
<b>Total deferred inflows of resources</b>	<b>14,705</b>	<b>2,723</b>	<b>17,428</b>
<b>Net position</b>			
Net investment in capital assets	680,702	143,179	823,881
Restricted for			
Unrestricted (deficit)	(118,289)	107,566	(10,723)
<b>Total net position</b>	<b>\$ 562,413</b>	<b>\$ 250,745</b>	<b>\$ 813,158</b>

*See Independent Auditors' Report*

**Jackson County, Florida**

**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**

*For the year ended September 30, 2018*

	Parks and Recreation	Jackson Recycling	Total Nonmajor Enterprise Total
<b>Operating revenues</b>			
Charges for services	\$ 175,025	\$ 58,761	\$ 233,786
Total operating revenues	175,025	58,761	233,786
<b>Operating expenses</b>			
Personal services	294,935	72,876	367,811
Utilities	17,906	-	17,906
Services and supplies	57,658	39,395	97,053
Repairs and maintenance	42,125	25,685	67,810
Other operating expenses	1,517	1,632	3,149
Depreciation	64,790	16,854	81,644
Total operating expenses	478,931	156,442	635,373
Net operating income (loss)	(303,906)	(97,681)	(401,587)
<b>Nonoperating revenues (expenses)</b>			
Interest income	3	-	3
Miscellaneous revenue	7,591	3,871	11,462
Total nonoperating revenues (expenses)	7,594	3,871	11,465
Income (loss) before contributions and transfers	(296,312)	(93,810)	(390,122)
Transfers, net	227,275	152,088	379,363
<b>Change in net position</b>	(69,037)	58,278	(10,759)
<b>Total net position - beginning</b>	631,450	192,467	823,917
<b>Total net position - ending</b>	\$ 562,413	\$ 250,745	\$ 813,158

*See Independent Auditors' Report*

**Jackson County, Florida**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**

*For the year ended September 30, 2018*

	Parks and Recreation	Jackson Recycling	Total
<b>Operating activities</b>			
Receipts from customers and users	\$ 179,571	\$ 56,917	\$ 236,488
Payments to suppliers	(117,752)	(76,044)	(193,796)
Payments to employees	(286,256)	(71,268)	(357,524)
Net cash used in operating activities	(224,437)	(90,395)	(314,832)
<b>Noncapital financing activities</b>			
Transfers to/from other funds	227,275	152,088	379,363
Advance from/to other funds	1,905	(22,940)	(21,035)
Net cash provided by noncapital financing activities	229,180	129,148	358,328
<b>Capital and related financing activities</b>			
Purchase of capital assets	(8,352)	(76,740)	(85,092)
Other receipts	7,592	3,870	11,462
Net cash used in capital and related financing activities	(760)	(72,870)	(73,630)
<b>Investing activities</b>			
Interest and dividends	2	-	2
Net cash provided by investing activities	2	-	2
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,985</b>	<b>(34,117)</b>	<b>(30,132)</b>
<b>Cash - beginning of the year</b>	<b>13,163</b>	<b>47,462</b>	<b>60,625</b>
<b>Cash - ending of the year</b>	<b>\$ 17,148</b>	<b>\$ 13,345</b>	<b>\$ 30,493</b>
<b>Reconciliation of net operating income to net cash used in operating activities</b>			
Net operating income (loss)	\$ (303,906)	\$ (97,681)	\$ (401,587)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	64,790	16,854	81,644
(Increase) decrease in accounts receivable	2,256	(1,844)	412
(Increase) decrease in deposits	2,290	-	2,290
Increase (decrease) in accounts payable	10,133	(7,724)	2,409
Net cash used in operating activities	\$ (224,437)	\$ (90,395)	\$ (314,832)

*See Independent Auditors' Report*

Page 1 of 2  
**Jackson County, Florida**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**

September 30, 2018

	<i>Clerk of the Circuit Court</i>					<i>Board</i>
	<b>Fine and Forfeiture</b>	<b>Jury and Witness</b>	<b>Suspense</b>	<b>Cash Bonds</b>	<b>Registry</b>	<b>Inmate Welfare</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 375,030	\$ 12,790	\$ 381	\$ 82,299	\$ 166,509	\$ 3,699
<b>Total assets</b>	<b>\$ 375,030</b>	<b>\$ 12,790</b>	<b>\$ 381</b>	<b>\$ 82,299</b>	<b>\$ 166,509</b>	<b>\$ 3,699</b>
<b>Liabilities</b>						
Due to others	\$ 375,030	\$ 12,790	\$ 381	\$ 82,299	\$ 166,509	\$ 3,656
Due to the Board	-	-	-	-	-	43
Due to other governments	-	-	-	-	-	-
<b>Total liabilities</b>	<b>\$ 375,030</b>	<b>\$ 12,790</b>	<b>\$ 381</b>	<b>\$ 82,299</b>	<b>\$ 166,509</b>	<b>\$ 3,699</b>

See Independent Auditors' Report

Page 2 of 2  
Jackson County, Florida  
Combining Statement of Fiduciary Net Position  
Agency Funds

September 30, 2018

	<i>Tax Collector</i>					<i>Sheriff</i>	Total Agency Funds
	Credit Cards	License and Boat	Tag	Tax	Driver's License	Trust Account	
<b>Assets</b>							
Cash and cash equivalents	\$ 11,315	\$ 1,070	\$ 48,796	\$ 341,710	\$ 8,107	\$ 41,158	\$ 1,092,864
<b>Total assets</b>	<b>\$ 11,315</b>	<b>\$ 1,070</b>	<b>\$ 48,796</b>	<b>\$ 341,710</b>	<b>\$ 8,107</b>	<b>\$ 41,158</b>	<b>\$ 1,092,864</b>
<b>Liabilities</b>							
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,158	\$ 681,823
Due to the Board	-	-	-	-	-	-	43
Due to other governments	11,315	1,070	48,796	341,710	8,107	-	410,998
<b>Total liabilities</b>	<b>\$ 11,315</b>	<b>\$ 1,070</b>	<b>\$ 48,796</b>	<b>\$ 341,710</b>	<b>\$ 8,107</b>	<b>\$ 41,158</b>	<b>\$ 1,092,864</b>

See Independent Auditors' Report



**REQUIRED SUPPLEMENTARY  
INFORMATION**



**Jackson County, Florida**  
**Schedule of Proportional Share of Net Pension Liability**  
**Florida Retirement System (Last 6 Fiscal Years)**

	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.063866000%	0.063900000%	0.065000000%	0.061300000%	0.060900000%	0.061060000%
County's proportionate share of the net pension liability (asset)	\$ 19,236,871	\$ 18,913,624	\$ 16,406,577	\$ 7,907,595	\$ 3,707,706	\$ 10,510,427
County's covered payroll	\$ 13,935,149	\$ 13,711,328	\$ 13,922,558	\$ 13,629,849	\$ 13,202,960	\$ 13,410,752
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll	138.05%	137.94%	117.84%	58.02%	28.08%	78.37%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

*See Independent Auditors' Report*

**Jackson County, Florida**  
**Schedule of Contributions**  
**Florida Retirement System (Last 6 Fiscal Years)**

	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 1,820,138	\$ 1,687,077	\$ 1,584,552	\$ 1,494,491	\$ 1,333,286	\$ 2,827,777
Contributions in relation to the contractually required contribution	(1,820,138)	(1,687,077)	(1,584,552)	(1,494,491)	(1,333,286)	(2,827,777)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 13,765,997	\$ 13,711,328	\$ 13,922,558	\$ 13,629,849	\$ 13,202,960	\$ 13,410,752
Contributions as a percentage of covered payroll	13.22%	12.30%	11.38%	10.96%	10.10%	21.09%

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

*See Independent Auditors' Report*

**Jackson County, Florida**  
**Schedule of Proportional Share of Net Pension Liability**  
**Health Insurance Subsidy (Last 6 Fiscal Years)**

	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.041920000%	0.041600000%	0.043000000%	0.042900000%	0.043000000%	0.043100000%
County's proportionate share of the net pension liability (asset)	\$ 4,436,898	\$ 4,442,972	\$ 5,005,749	\$ 4,371,930	\$ 4,021,312	\$ 3,756,239
County's covered payroll	\$ 13,935,149	\$ 13,711,328	\$ 13,922,558	\$ 13,629,849	\$ 13,202,960	\$ 13,410,752
County's proportionate share of the net pension liability (asset) as a percentage of its own covered payroll	31.84%	32.40%	35.95%	32.08%	30.46%	28.01%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

**Notes to schedules:**

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

*See Independent Auditors' Report*

**Jackson County, Florida**  
**Schedule of Contributions**  
**Health Insurance Subsidy (Last 6 Fiscal Years)**

	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 227,335	\$ 221,719	\$ 220,151	\$ 163,871	\$ 147,329	\$ 311,200
Contributions in relation to the contractually required contribution	(227,335)	(221,719)	(220,151)	(163,871)	(147,329)	(311,200)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 13,765,997	\$ 13,711,328	\$ 13,922,558	\$ 13,629,849	\$ 13,202,960	\$ 13,410,752
Contributions as a percentage of covered payroll	1.65%	1.62%	1.58%	1.20%	1.12%	2.32%

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30<sup>th</sup> of the current fiscal year.

GASB Statement No. 68 was implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

*See Independent Auditors' Report*

**Jackson County, Florida**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last 10 Fiscal Years\***

<i>For the year ended September 30,</i>	<b>2018</b>
<b>Total OPEB Liability</b>	
Service Cost	\$ 148,000
Interest Cost	119,000
Changes in Benefit Terms	-
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit Payments	(146,000)
Other changes	-
<hr/>	
Net change in total OPEB liability	121,000
<b>Total OPEB Liability - beginning, as restated</b>	<b>3,315,000</b>
<hr/>	
<b>Total OPEB Liability - ending (a)</b>	<b>3,436,000</b>
<hr/>	
Plan Fiduciary Net Position	
Contributions - employer	146,000
Benefit payments	(146,000)
<hr/>	
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	-
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 3,436,000</b>
<hr/> <hr/>	
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	\$ 13,935,149
Net OPEB liability as a percentage of covered payroll	24.66%
Contributions as a percentage of covered payroll	1.05%

\*This schedule is intended to show information for 10 years.  
Additional years will be displayed as they become available.

*See Independent Auditors' Report*



**COMPLIANCE SECTION**

**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 Jackson County, Florida  
Marianna, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Jackson County, Florida (the "County") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Jackson County, Florida's basic financial statements and have issued our report dated June 27, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items SH 2017-001, SH 2006-001 and Board 2018-001 that we consider to be material weaknesses.

### **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the summary of findings and questioned costs at Board 2018-002 and Board 2018-003.

We also noted other certain matters that were reported to the management of the County in a separate letter dated June 27, 2019.

### **County's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Marianna, Florida  
June 27, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND  
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jackson County, Florida  
Marianna, Florida

**Report on Compliance for Each Major Federal Program and Major State Project**

We have audited Jackson County, Florida's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the County's major federal programs and state projects for the year ended September 30, 2018. The County's major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its Federal awards and State projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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; the audit requirements of Title 2 U.S. Code of *Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance 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 major 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 on compliance for each major federal program and major state project. However, our audit does not provide a legal determination of the County's compliance.

**Opinion on Each Major Federal Program and Major State Project**

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2018.

## **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance 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.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items Board 2018-002 and Board 2018-003, which we consider to be a significant deficiencies.

### **County's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of This Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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

Marianna, Florida

June 27, 2019

Page 1 of 3  
**Jackson County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Financial Assistance**

*For the year ended September 30, 2018*

Federal Agency Pass through entity Federal Program	CFDA Number	Grant/ Contract Number	Expenditures
<b>US Department of Homeland Security, Federal Emergency Management Agency</b>			
<b>Pass through Florida Executive Office of Governor</b>			
Emergency Management Performance Grant FY 17-18	97.042	18-FG-7A-02-41-01-114	\$ 36,308
Emergency Management Performance Grant FY 18-19	97.042	19-FG-AF-02-41-01-077	12,188
			48,496
<b>Pass through Florida Executive Office of Governor</b>			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)			
FEMA DR4177	97.036	15-SP-8Z-02-42-02-526	2,323,292
Florida DR4377 IRMA	97.036	Z0373	1,287
			2,324,579
<b>Pass through Florida Executive Office of Governor</b>			
Hazard Mitigation Grant (HMGP) - DR-4177-31-R	97.039	17HM-H4-02-41-01-212	2,770
Hazard Mitigation Grant (HMGP) - DR-4177-14-R	97.039	16HM-H4-01-41-01-234	2,356
Hazard Mitigation Grant (HMGP) - DR-4177-14-A	97.039	18HM-H4-01-41-01-316	571,190
Hazard Mitigation Grant (HMGP) - DR-4177-38-R	97.039	18HM-H4-02-41-01-035	47,114
			623,430
<b>Total US Department of Homeland Security</b>			<b>2,996,505</b>
<b>United States Department of Agriculture</b>			
<b>Pass through Florida Department of Agriculture &amp; Consumer Services</b>			
Forestry Grant Funds - Wildland Gear	10.664	VF - JACKSON	5,436
<b>Total United States Department of Agriculture</b>			<b>5,436</b>
<b>United States Federal Elections Administration</b>			
<b>Pass through Florida Department of State, Division of Elections</b>			
Federal Election Activities	90.401	MOA 2016-2017-0001-JAC	6,987
Federal Election Activities	90.401	MOA 2017-2018-0001-JAC	382
Help America Vote Act Requirement Payments Program - Elections Security Grant	90.401	MOA 2018-2019-001-JAC	73,713
Help America Vote Act Requirement Payments Program - Albert Network Monitoring	90.401	19.e.an.000.126	14,610
<b>Total United States Federal Elections Administration</b>			<b>95,692</b>
<b>US Department of Transportation, Federal Highway Administration</b>			
<b>Pass through Florida Department of Transportation</b>			
<b>Highway Planning and Construction Cluster</b>			
Highway Planning and Construction Federal Aid Highway Program -			
Jackson Road Sidewalk Construction	20.205	GOS19	414,669
Florida Baptist College Sidewalk Construction	20.205	GOK09	34,000
<b>Total US Department of Transportation, Federal Highway Administration</b>			<b>448,669</b>
<b>US Department of Health and Human Services, Administration for Children &amp; Families</b>			
<b>Pass through Florida Agency for Children &amp; Families, Office of Child Support Enforcement</b>			
Child Support Enforcement	93.563	CD332	130,287
<b>Total US Department of Health and Human Services, Administration for Children &amp; Families</b>			<b>130,287</b>
<b>United States Environmental Protection Agency</b>			
<b>Pass through Florida Department of Environmental Protection</b>			
<b>Drinking Water State Revolving Fund Cluster</b>			
Capitalization Grants for Drinking Water - State Revolving Fund	66.468	DW320350	659,350
<b>Total United States Environmental Protection Agency</b>			<b>659,350</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,335,939</b>

*See Independent Auditors' Report and  
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance*

Page 2 of 3  
**Jackson County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Financial Assistance**

*For the year ended September 30, 2018*

State Agency State Program Title State Financial Assistance Projects	CSFA Number	Grant/ Contract Number	Expenditures
<b>Florida Department of Transportation</b>			
<b>Highway Operations Program</b>			
Small County Outreach Program (SCOP) - Jackson Road	55.009	GOJ31	\$ 1,813
Small County Road Assistance Program (SCRAP) - Salem Church	55.016	GOE00	1,217,797
Small County Road Assistance Program (SCRAP) - Piano	55.016	GOS27	99,895
<b>Total Small County Road Assistance Program</b>			<b>1,317,692</b>
CIGP Merritts Mill	55.008	GOS26	6,000
<b>Total Florida Department of Transportation</b>			<b>1,325,505</b>
<b>Florida Housing Finance Corporation</b>			
<b>Florida Housing Finance Corporation Program</b>			
State Housing Initiatives Partnership Program (SHIP)	40.901	n/a	369,860
<b>Total Florida Housing Finance Corporation</b>			<b>369,860</b>
<b>Florida Department of Environmental Protection</b>			
<b>Waste Management Program</b>			
Small County Consolidated Grant	37.012	818SC	90,909
<b>Water Resource Management Program</b>			
Statewide Surface Water Restoration and Wastewater Projects - Indian Springs Sewer Extension Phase I	37.039	S0854	278,065
<b>Total Florida Department of Environmental Protection</b>			<b>368,974</b>
<b>Florida Department of State</b>			
<b>Library and Information Services Program</b>			
Public Library Construction Program	45.020	16-PLC-03	196,217
State Aid to Libraries	45.030	16-ST-68	86,879
State Aid to Libraries	45.030	17-ST-67	31,195
<b>Total State Aid to Libraries</b>			<b>118,074</b>
<b>Total Florida Department of State</b>			<b>314,291</b>
<b>Florida Executive Office of the Governor</b>			
<b>Emergency Management Program</b>			
Florida Hazardous Materials Planning & Prevention Program	31.067	18-CP-11-02-41-01-067	3,547
Emergency Management Programs	31.063	18-BG-W9-02-41-01-113	85,413
Emergency Management Programs	31.063	19-BG-21-02-41-01-037	20,629
<b>Total Emergency Management Program</b>			<b>106,042</b>
<b>Total Florida Executive Office of the Governor</b>			<b>109,589</b>

*See Independent Auditors' Report and  
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance*

Page 3 of 3  
**Jackson County, Florida**  
**Schedule of Expenditures of Federal Awards**  
**And State Financial Assistance**

*For the year ended September 30, 2018*

State Agency State Program Title State Financial Assistance Projects	CSFA Number	Grant/ Contract Number	Expenditures
<b>Florida Department of Health</b>			
<b>Community Public Health Program</b>			
County Grant Awards	64.005	C4032	141
County Grant Awards	64.005	C5032	14,268
<b>Total Florida Department of Health</b>			<b>14,409</b>
<b>Florida Department of Agriculture and Consumer Services</b>			
<b>Consumer Protection Program</b>			
Mosquito Control	42.003	22239	3,249
<b>Total Florida Department of Agriculture and Consumer Services</b>			<b>3,249</b>
<b>Florida Department of Management Services</b>			
<b>Technology Program</b>			
E911 Spring Grant - E911 Maintenance	72.001	17-04-12	34,391
E911 Spring Grant - E911 Maintenance	72.001	18-04-16	34,550
<b>Total Florida Department of Management Services</b>			<b>68,941</b>
<b>Florida Department of Economic Opportunity</b>			
<b>Division of Strategic Business Development</b>			
Comprehensive Plan Revision	40.012	PO256	23,500
<b>Total Florida Department of Economic Opportunity</b>			<b>23,500</b>
<b>Florida Department of Highway Safety and Motor Vehicles</b>			
<b>Motorist Services Program</b>			
Florida Arts License Plate Project	76.041	n/a	195
<b>Total Florida Department of Highway Safety and Motor Vehicles</b>			<b>195</b>
<b>Florida Department of Law Enforcement</b>			
<b>Investigative Services Program</b>			
Computer Aided Dispatch System	71.024	G1609	150,000
<b>Total Florida Department of Law Enforcement</b>			<b>150,000</b>
<b>Northwest Florida Water Management District</b>			
Florida Springs Grant Program - Blue Springs	37.052	17-061	53,710
Florida Springs Grant Program - Indian Springs Sewer	37.052	16-045	522,933
<b>Total Northwest Florida Water Management District</b>			<b>576,643</b>
<b>Florida Department of Financial Services</b>			
Local Government Fire Service Grant	71.024	G1609	123,977
<b>Total Florida Department of Financial Services</b>			<b>123,977</b>
<b>Total Expenditures of State Financial Assistance</b>			<b>3,449,134</b>
<b>Total Federal Awards and State Financial Assistance</b>			<b>\$ 7,785,074</b>

Note: There were no federal awards or state financial assistance passed through to subrecipients.

*See Independent Auditors' Report and  
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance*

**Jackson County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**And State Financial Assistance**  
**For the year ended September 30, 2018**

**NOTE 1 - BASIS OF ACCOUNTING**

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of Jackson 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 requirement of Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 Awards and State Financial Assistance 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.

**NOTE 4 – INDIRECT COST**


The County has not elected to use the 10% de Minimis indirect cost rate.

**NOTE 5 – RECAPTURED FUNDS**

Expenses included in State Housing Initiatives Partnership program (SHIP) include \$5,000 of loan funds recaptured due to applicant noncompliance. These recaptured funds were spent in the current year on SHIP program projects.

**NOTE 6 – OTHER TYPES OF FINANCIAL ASSISTANCE**

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property, or free rent received or included in the schedule of expenditures of federal awards and state financial assistance.



**Jackson County, Florida**  
**Notes to Schedule of Expenditures of Federal Awards**  
**And State Financial Assistance**  
**For the year ended September 30, 2018**

**NOTE 7 – LOAN PROGRAMS**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance does include certain loan programs under which expenditures were made during the year ended September 30, 2018, in accordance with the Uniform Guidance. Certain information related to these programs is disclosed here for transparency purposes. Additional information related to this debt is reported in the Notes to the Financial Statements.

Jackson County was awarded a loan of \$1,5548,404 as amended in March 2019, by the Environmental Protection Agency. This award is identified under CFDA 66.468, Capitalization Grants for Drinking Water State Revolving Fund, which includes Principal forgiveness of \$849,400 with the County obligated to repay \$699,004 in principal and \$6,500 in capitalized interest. There was no principal and capitalized interest payable by the County at September 30, 2018.



**Jackson County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2018**

**A. SUMMARY OF AUDIT RESULTS**

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of Jackson 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*." We believe the significant deficiencies listed as items Board 2018-002, SH 2017-001 and SH 2006-001 to be a material weaknesses.
3. We noted no instances of noncompliance material to the financial statements of the County which were disclosed during the audit.
4. Significant deficiencies relating to the audit of the major federal programs and state projects are reported in the "Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General."
5. The "Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General" for Jackson County, Florida expresses an unmodified opinion.
6. Audit findings relative to the major federal awards and state financial assistance projects for Jackson County, Florida are reported in this schedule.
7. The programs/projects tested as major programs/projects included the following:

<b>Federal Program</b>	<b>CFDA No.</b>
US Department of Homeland Security	
Disaster Grants – Public Assistance (Presidentially Declared Disaster) FEMA DR4177	97.036
 <b>State Projects</b>	 <b>CSFA No.</b>
Florida Department of Transportation	
Small County Road Assistance Program (SCRAP)	55.016
Florida Department of Environmental Protection	
Florida Springs Grant Program	37.052

**Jackson County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2018**

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

8. The threshold for distinguishing Type A and Type B programs/projects was \$750,000 for major federal program and \$300,000 for major state financial assistance projects.
9. Jackson County, Florida did not qualify as a low-risk auditee pursuant to the Uniform Guidance.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**BOARD – INVENTORY – FINDING, BOARD 2018-001**

CRITERIA: All material assets should be reported on the financial statements.

CONDITION: Inventory of fuel, parts and supplies in the Water/Sewer Fund and the Transportation Trust Fund totaling \$31,142 and \$105,825, respectively, were not recorded at September 30, 2017.

CAUSE: Inventory balances have not been material in previous years causing it to be overlooked as the balance increased and became material.

EFFECT: Assets were understated.

RECOMMENDATION: Inventory balances should be recorded and adjusted to actual amounts annually.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 107.

**SHERIFF – TRUST ACCOUNT, FINDING SH 2017-001**

CRITERIA: The trust account should only include transactions related to funds held on behalf of other individuals or entities.

CONDITION: Non-trust activity passed through the trust account.

CAUSE: Sheriff employees were not aware of the trust account's required limitations.

EFFECT: Unbudgeted items received from the Board of County Commissioners were deposited into the trust account.

RECOMMENDATION: We recommend the trust account be reserved for trust related activity only.

**Jackson County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2018**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

STATUS: This condition continues to exist.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 107.

**SHERIFF - SEGREGATION OF DUTIES, FINDING SH2006-001**

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees in custody of the Sheriff's assets.

CAUSE: The Sheriff has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

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. We also recommend the Sheriff receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 107.

**C. FINDINGS – MAJOR FEDERAL PROGRAMS AND STATE PROJECTS**

**Board 2018-002 – SPECIAL TESTS/CONTRACTING – COMPLIANCE AND CONTROLS**

**STATE AGENCY: NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT**

**PROJECT: FLORIDA SPRINGS GRANT PROGRAM, CSFA 37.052**

**AWARD YEAR: BLUE SPRINGS – JULY 7, 2017, INDIAN SPRINGS – MARCH 18, 2016**

**FINDING TYPE: SIGNIFICANT DEFICIENCY**

**QUESTIONED COST: NONE**

CRITERIA: Subcontracting is permitted but must be through a competitive bid process and a copy of the contract and bid tabulation must be submitted to the Agency within fourteen days from signing.

**Jackson County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2018**

**C. FINDINGS – MAJOR FEDERAL PROGRAMS AND STATE PROJECTS (CONTINUED)**

CONDITION: Two contacts were reviewed for compliance with this requirement. This was not a statistically valid sample. The County did not submit the required contract documents for one subcontractor and submitted the contract documents for another subcontractor eleven days after the required date. There are only three subcontractors currently associated with this project.

CAUSE: County staff was unaware of the requirement for contract submission for these agreements.

EFFECT: Noncompliance could result in loss of funding.

RECOMMENDATION: We recommend that grant agreements be carefully reviewed in their entirety to insure compliance with all requirements.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 107.

**Board 2018-003 – REPORTING – COMPLIANCE AND CONTROLS**

**FEDERAL AGENCY: UNITED STATES DEPARTMENT OF HOMELAND SECURITY**

**DISASTER GRANTS – PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTER), CFDA 97.036**

**AWARD YEAR: JULY 31, 2014**

**FINDING TYPE: SIGNIFICANT DEFICIENCY**

**QUESTIONED COST: NONE**

CRITERIA: 2 CFR 200.303 requires non-Federal entities to establish and maintain effective internal control over Federal awards to provide reasonable assurance that the award is managed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal Award. Quarterly reports should be submitted within fifteen days after the end of the period per the compliance requirements of the program.

CONDITION: All quarterly reports for DR-4177 for the fiscal year were reviewed for timeliness of submission. The quarterly report for December 2017 was submitted seven days late.

CAUSE: This was an oversight by the personnel responsible for filing the reports.

EFFECT: The late filing of the report led to noncompliance with this specific requirement.

RECOMMENDATION: We recommend that all reports be submitted timely and that procedures be implemented to insure this requirement is not overlooked.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 107.

**Jackson County, Florida**  
**Summary Schedule of Prior Audit Findings**  
**For the year ended September 30, 2018**

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

**FINANCIAL STATEMENT AUDIT**

**BOARD – DUE FROM AGENCY FUND – 2017-001 - RESOLVED**

CRITERIA: The amount due from an agency fund to the Board of County Commissioners should be properly recorded and remitted timely.

CONDITION: Amounts due to the Board of County Commissioners from the Inmate Welfare Trust Fund totaling \$54,334 were not recorded at year end.

CAUSE: The change in staffing and understaffing in the jail's financial department.

EFFECT: Amounts due back to the Board of County Commissioners for the purchase of inmate prescriptions were not timely recorded or remitted.

RECOMMENDATION: We recommend that the Inmate Welfare Trust Fund be reconciled monthly and that amounts due to the Board of County Commissioners and others be remitted timely.

RESPONSE: The County is working on a system to balance the agency fund with the County's records monthly.

STATUS: This condition has been resolved.

**PROPERTY APPRAISER - SEGREGATION OF DUTIES, FINDING PA2006-001 - RESOLVED**

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Property Appraiser's assets.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: The size of the Property Appraiser's administrative staff makes it difficult to achieve ideal segregation of duties. The Property Appraiser should be aware of this internal control weakness and continue to separate record keeping duties from custody of assets as much as possible. We also recommend that management require mandatory vacations of at least one week in duration for financial personnel and recommend that their duties be assigned to other personnel while on vacation.

STATUS: This condition has been resolved.

**Jackson County, Florida**  
**Summary Schedule of Prior Audit Findings**  
**For the year ended September 30, 2018**

**MAJOR FEDERAL PROGRAMS AND STATE PROJECTS**

**2017-002 – REPORTING – COMPLIANCE AND CONTROLS - RESOLVED**

**STATE AGENCY: FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY**

**PROJECT: LOCAL ECONOMIC DEVELOPMENT INITIATIVE (FIRE STATION), CSFA 40.012**

**FINDING TYPE: SIGNIFICANT DEFICIENCY**

**QUESTIONED COST: NONE**

**CRITERIA:** Reports should be prepared and submitted timely as required by the compliance requirements of the state project.

**CONDITION:** Monthly required reports were not prepared and submitted timely.

**CAUSE:** The personnel administering the program lacked experience and knowledge related to required reporting.

**EFFECT:** The unfiled reports led to noncompliance with the requirements of the state project.

**RECOMMENDATION:** We recommend that all required reports be prepared and submitted timely.

**RESPONSE:** The County will insure that reports are prepared and filed timely in the future.

**STATUS:** This condition has been resolved.

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the financial statements of Jackson County, Florida (the "County") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 27, 2019.

### Auditors' Responsibility

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; audit requirements of Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and audit requirements of Chapter 10.550, Rules of the Florida Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program and State Project and on Internal Control over Compliance Required By the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 27, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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 "Schedule of Findings and Questioned Costs."

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jackson County, Florida  
Marianna, Florida

## **PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

### **BOARD OF COUNTY COMMISSIONERS**

#### **Fire & Rescue 2006-01**

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibilities related to the receipt of payments and posting of payments in the Fire and Rescue Department.

CAUSE: The County has limited personnel in this department.

EFFECT: The possibility exists that unintentional or intentional errors could occur and not be promptly detected.

RECOMMENDATION: We recommend that a better separation of duties be established.

STATUS: This item has not been corrected.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., 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 is disclosed in the notes to the financial statements.

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the County. 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 Jackson County, Florida  
Marianna, Florida

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the following recommendations:

**Supervisor of Elections - Salary SOE2017-001**

CRITERIA: The Supervisor of Elections' salary should comply with the salary set by the State of Florida's Legislature

CONDITION: The Supervisor of Elections' salary exceeded the salary allowed by the State of Florida's Legislature

CAUSE: The Supervisor of Elections' salary was calculated for a twenty-four pay period cycle. However, the Supervisor of Elections' payroll is paid on a twenty-six pay period cycle.

EFFECT: The Supervisor of Elections' salary exceeded the salary allowed by the State of Florida's Legislature by \$8,855.

RECOMMENDATION: We recommend that the Supervisor of Elections' comply with allowed salaries allowed by the State of Florida's Legislature

RESPONSE: The error was detected at year end. The Supervisor of Elections repaid the excess salary subsequent to year end.

STATUS: This condition has been resolved.

**Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the County for the fiscal year ended September 30, 2018, 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, 2018. In connection with our audit, we determined that these two reports were in agreement.

To the Honorable Board of County Commissioners  
and Constitutional Officers of Jackson County, Florida  
Marianna, Florida

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charges with governance. We noted certain instances of noncompliance that we reported to management in a separate letter dated June 27, 2019.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Marianna, Florida  
June 27, 2019



Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH  
SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT  
INVESTMENT POLICIES***

To the Honorable Board of County Commissioners  
of Jackson County, Florida  
Marianna, Florida

We have examined Jackson County, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Jackson County, Florida's compliance with those requirements. Our responsibility is to express an opinion on the Jackson County, Florida's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Jackson County, Florida's compliance with specified requirements.

In our opinion, the Jackson County, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

Marianna, Florida  
June 27, 2019



Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES**

To the Honorable Board of County Commissioners  
of Jackson County, Florida  
Marianna, Florida

We have examined 's (the County) compliance with the requirements of Section 365.172(10), Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d), Florida Statutes, *Distribution and Use of (E911) Funds*, during the year ended September 30, 2018. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

Marianna, Florida  
June 27, 2019



## BOARD of COUNTY COMMISSIONERS

Phone (850) 482-9633  
Fax (850) 482-9643  
www.jacksoncountyfl.net

Administration Building  
2864 Madison Street  
Marianna, Florida 32448-4021

State of Florida  
Auditor General

We are in receipt of the audit report for the Board of County Commissioners, Jackson County, Florida, for the fiscal year ending September 30, 2018. We have reviewed the internal control and compliance letters, the schedule of findings and questioned costs and the management letter included in the report.

### MANAGEMENT LETTER COMMENTS

#### CURRENT YEAR FINDINGS

##### FINDING 2018-01

COMMENT: Inventory of fuel, parts and supplies in the Water/Sewer Fund and the Transportation Trust Fund totaling \$31,142 and \$105,825, respectively, were not recorded at September 30, 2017.

RESPONSE: Inventory for the Water/Sewer Fund and the Transportation Trust Fund were recorded at September 30, 2018.

##### FINDING 2018-02

COMMENT: The County did not submit the required contract documents for one subcontractor and submitted the contract documents for another subcontractor eleven days after the required date. There are only three subcontractors currently associated with this project.

RESPONSE: The Operations and Budget Director will review all grant agreements in the future to insure compliance.

##### FINDING 2018-03

COMMENT: The quarterly report for December 2017 was submitted seven days late.

RESPONSE: The Operations and Budget Director will implement procedures prior to the September 30, 2019 audit to insure compliance with reporting requirements.

#### Commissioners

Dr. Willie E. Spires  
District 1

Clint Pate  
District 2

Chuck Lockey  
District 3

Eric Hill  
District 4

Jim Peacock  
District 5

**Jackson County, Florida  
Management's Response**

PRIOR YEAR FINDINGS 2016-01

COMMENT: We noted that the individual responsible for the receipt of payments in the Fire and Rescue Department is also responsible for the posting of payments and charges to the accounts receivable ledger. In addition, this individual is also responsible for the mailing of the statements.

RESPONSE: Currently, it is not feasible to properly separate the duties and functions of the Fire & Rescue Department. Subsequent to year end a contract was executed with EMS Management & Consultants, Inc. to provide ambulance billing services for the County which will resolve this comment.

If additional information is required, please contact Daniele McDaniel, Finance Officer at (850) 482-9634.

Sincerely,



Clint Pate  
Chairman

## Jackson County, Florida Management's Response



LOUIS S. ROBERTS III  
**Sheriff**  
Jackson County



AREA 850  
Office: 482-9624 • Dispatch: 482-9648  
Administration: 482-9664 • C.I.D.: 482-9664  
FAX: 482-9017  
P.O. Box 919 • Marianna, Florida 32447

Honorable Sherrill F. Norman  
State of Florida Auditor General  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Auditor General Norman,

We have received the audit report for the Office of the Sheriff, Jackson County, Florida, for the fiscal year ending September 30, 2018. We have reviewed the Management Letter included in the report. Please see our response below concerning the items noted in the Management Letter.

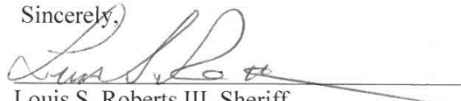
**1. Need for Segregation of Duties**

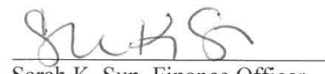
This has been a deficiency for several years due to constant budget constraints by the County. The Board of County Commissioners would not award another administrative position to the Sheriff for accounting and payroll services. As such, we have had to operate with what we have to the best of our abilities. To help remedy this problem in previous years, the Sheriff assigned the task of approving all bills to the Major before they are paid. Sheriff Roberts receives a copy of our Budget Position Analysis at the end of each month. Sheriff Roberts opens our bank statements then signs them. Commanders Scott Edwards and Virgil Watson approve purchases. No new administrative staff positions are expected to be granted by the Board of County Commissioners in the near future. The Sheriff's Office was in a position to pull from another division to help with accounting and payroll duties. However, the opportunity is no longer available to pull from another division. As such, this will be a recurring problem until we are awarded another position to permanently remedy this.

**2. Trust Account**

In previous years all money that was not part of our approved budget was put into our Trust account. Funds deposited into the Trust account included money that we requested from the Board of County Commissioners from accounts the Board held on behalf of the Sheriff, such as Equitable Sharing Funds and Local Law Enforcement Automation Funds. Checks were issued to the appropriate vendors from the Trust account. They were recorded appropriately and are able to be tracked accordingly. Depositing these monies into the Trust account allowed us to better track monies that were received that were not part of our approved Budget. We have since been made aware of the limitations imposed on Trust accounts and have been given guidance on how to correct the issue. At the time we were advised how to correct it, it was already late into the fiscal year. To prevent confusion, we continued to operate in the same manner until the end of the fiscal year. All changes were made effective at the start of the 2018-2019 fiscal year.

Sincerely,

  
Louis S. Roberts III, Sheriff  
Jackson County Florida

  
Sarah K. Sun, Finance Officer  
Jackson County Sheriff's Office

cc: Carr, Riggs, and Ingram, LLC





# **FINANCIAL STATEMENTS**



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

**Financial Statements**

**September 30, 2018**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRIcpa.com](http://CRIcpa.com)

**Jackson County, Florida  
Clerk of the Circuit Court  
Table of Contents  
September 30, 2018**

**REPORT**

Independent Auditors' Report	1
------------------------------	---

**FINANCIAL STATEMENTS**

Balance Sheet - Governmental Funds	4
------------------------------------	---

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	5
---	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	6
--	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public Records Modernization Trust Fund	7
---	---

Statement of Fiduciary Net Position - Agency Funds	8
--	---

Notes to Financial Statements	9
-------------------------------	---

**SUPPLEMENTARY INFORMATION**

Combining Statement of Fiduciary Net Position - Agency Funds	19
--	----

**COMPLIANCE SECTION**

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 <i>Government Auditing Standards</i>	20
---	----

Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	22
--	----

Independent Accountants' Report on Compliance with Section 28.35, Florida Statutes, <i>Florida Clerks of Court Operations Corporation</i> , and Section 28.36, Florida Statutes, <i>Budget Procedure</i>	23
--	----

Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes, <i>Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees</i>	24
---	----

Independent Auditors' Management Letter	25
---	----



# REPORT





Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITORS' REPORT

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Jackson County, Florida, Clerk of the Circuit Court (Clerk) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Public Records Modernization Trust Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Clerk's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statement of fiduciary net position-agency funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2019 on our consideration of the Clerk'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* in considering the Clerk's internal control over financial reporting and compliance.

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

June 16, 2019



# FINANCIAL STATEMENTS

**Jackson County, Florida  
Clerk of the Circuit Court  
Balance Sheet  
Governmental Funds**

*September 30, 2018*

	<b>General Fund</b>	<b>Public Records Modernization Trust Fund</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 372,435	\$ -	\$ 372,435
Restricted cash and cash equivalents	-	329,395	329,395
Accounts receivable	33,359	-	33,359
<b>Total assets</b>	<b>\$ 405,794</b>	<b>\$ 329,395</b>	<b>\$ 735,189</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 24,525	\$ -	\$ 24,525
Due to Board of County Commissioners	143,678	-	143,678
Due to other governmental units	237,591	-	237,591
<b>Total liabilities</b>	<b>405,794</b>	<b>-</b>	<b>405,794</b>
<b>Fund balances</b>			
Restricted	-	329,395	329,395
<b>Total liabilities and fund balances</b>	<b>\$ 405,794</b>	<b>\$ 329,395</b>	<b>\$ 735,189</b>

*The accompanying notes are an integral part of these financial statements*



**Jackson County, Florida  
Clerk of the Circuit Court  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Governmental Funds**

*For the year ended September 30, 2018*

	<b>General Fund</b>	<b>Public Records Modernization Trust Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental	\$ 130,782	\$ -	\$ 130,782
Charges for services	880,226	58,728	938,954
Fines and forfeitures	225,444	-	225,444
Grants	130,287	-	130,287
Interest	425	-	425
<b>Total revenues</b>	<b>1,367,164</b>	<b>58,728</b>	<b>1,425,892</b>
<b>Expenditures</b>			
Current:			
General government	726,088	11,245	737,333
Court-related	861,475	836	862,311
<b>Total expenditures</b>	<b>1,587,563</b>	<b>12,081</b>	<b>1,599,644</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(220,399)</b>	<b>46,647</b>	<b>(173,752)</b>
<b>Other financing sources (uses)</b>			
Transfers in	535,623	-	535,623
Transfers out	(143,678)	-	(143,678)
Transfers to State of Florida	(171,546)	-	(171,546)
<b>Net other financing sources (uses)</b>	<b>220,399</b>	<b>-</b>	<b>220,399</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>46,647</b>	<b>46,647</b>
<b>Fund balances - beginning</b>	<b>-</b>	<b>282,748</b>	<b>282,748</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 329,395</b>	<b>\$ 329,395</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Intergovernmental	\$ 111,396	\$ 130,783	\$ 130,782	\$ (1)
Charges for services	817,993	880,269	880,226	(43)
Fines and forfeitures	220,455	225,400	225,444	44
Grants	100,000	130,287	130,287	-
Interest	400	424	425	1
<b>Total revenues</b>	<b>1,250,244</b>	<b>1,367,163</b>	<b>1,367,164</b>	<b>1</b>
<b>Expenditures</b>				
Current				
General government	627,903	746,667	726,088	20,579
Court-related	1,062,964	1,061,119	861,475	199,644
Capital outlay	20,000	20,000	-	20,000
Reserve for contingency	75,000	75,000	-	75,000
<b>Total expenditures</b>	<b>1,785,867</b>	<b>1,902,786</b>	<b>1,587,563</b>	<b>315,223</b>
Excess (deficiency) of revenues over (under) expenditures	(535,623)	(535,623)	(220,399)	315,224
<b>Other financing sources (uses)</b>				
Transfers in	535,623	535,623	535,623	-
Transfers out	-	-	(143,678)	(143,678)
Transfers to State of Florida	-	-	(171,546)	(171,546)
<b>Net other financing sources (uses)</b>	<b>535,623</b>	<b>535,623</b>	<b>220,399</b>	<b>(315,224)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Clerk of the Circuit Court**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**Public Records Modernization Trust Fund**

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Charges for services	\$ 55,000	\$ 55,000	\$ 58,728	\$ 3,728
Total revenues	55,000	55,000	58,728	3,728
<b>Expenditures</b>				
Current				
General government	55,000	55,000	11,245	43,755
Court-related	-	-	836	(836)
Total expenditures	55,000	55,000	12,081	42,919
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 46,647</b>	<b>\$ 46,647</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida  
Clerk of the Circuit Court  
Statement of Fiduciary Net Position  
Agency Funds**

*September 30, 2018*

---

	<b>Agency Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 637,009
Total assets	\$ 637,009
<b>Liabilities</b>	
Due to others	\$ 637,009
Total liabilities	\$ 637,009

---

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida  
Clerk of the Circuit Court  
Notes to Financial Statement**

**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 financial statements.

**Reporting Entity**

The Jackson County Clerk of Circuit Court (Clerk) is an integral part of Jackson County, Florida (County) and is an elected Constitutional Officer who is governed by state statutes and regulations. The financial statements of the Clerk are included in Jackson County, Florida's basic financial statements. The Clerk operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and any unexpended appropriations are remitted to the Board of County Commissioners after the end of the fiscal year. The receipts from the Board are recorded as other financing sources on the Clerk's financial statements and as other financing uses on the Board's financial statements. Effective June 1, 2013, the Clerk was authorized to retain funds collected for court-related fines, fees and service charges. The Clerk will also receive a monthly appropriation from the State of Florida Clerk of Court Trust Fund for any shortage of revenues up to the approved budget. The receipts from the State are recorded as intergovernmental revenue on the Clerk's financial statements. As specified in Florida Senate Bill 1512, spending authority will continue to be provided by the State and will follow the county fiscal year (October 1 to September 30). The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Jackson 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 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 Jackson County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the 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.

**Jackson County, Florida  
Clerk of the Circuit Court  
Notes to Financial Statement**

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

**Basis of Presentation**

The Clerk's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Clerk has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida, that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted 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 the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in another fund.

**Public Records Modernization Trust Fund** - The modernization trust fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

In addition, the Clerk has reported the following fund type:

**Agency Funds** - Agency funds are custodial in nature and account for assets held in a trust capacity or as agent for individuals, other governmental units and/or other funds. Agency funds only report assets and liabilities and do not measure results of operations.

**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 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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) and (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.

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**

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

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

**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.

**Capital Assets**

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.

**Restricted Cash and Cash Equivalents**

At September 30, 2018, the Clerk held restricted funds of \$329,395 for the Public Records Modernization Trust Fund.

**Jackson County, Florida  
Clerk of the Circuit Court  
Notes to Financial Statement**

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

**Accumulated Compensated Absences**

Permanent full-time employees of the Clerk are entitled to accrue sick leave hours based on pay periods worked, with a limit on total hours accrued being 900 hours. Vacation time is earned depending on the length of employment, with a limit of 225 hours. Upon separation from employment, employees can be paid for unused sick leave and annual leave in accordance with personnel policy.

The Clerk's accumulated compensated absences are reported in the statement of net position in the County's government-wide financial statements.

**Fund Balance Reporting and Governmental Fund-Type Definitions**

The Clerk adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 6.

**Due to Others/Governmental Units**

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

**Risk Management**

The Clerk 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 in the last 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.

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.



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

**Impact of Recently Issued Accounting Pronouncements**

In fiscal year 2018, the Clerk adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board (“GASB”):

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75)
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81)
- GASB Statement No. 85, *Omnibus 2017* (GASB 85)
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* (GASB 86)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that are provided to employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans*. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Clerk’s governmental fund financial statements.

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Clerk’s financial statement as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Clerk’s current accounting practices nor its financial reporting.

**Jackson County, Florida  
Clerk of the Circuit Court  
Notes to Financial Statement**

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

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Clerk’s financial statements as a result of the implementation of GASB 86.

***Pronouncements Issued But Not Yet Effective***

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Clerk upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
83	<i>Certain Asset Retirement Obligations</i>	2019
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
88	<i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</i>	2019
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At September 30, 2018, the carrying amount of the Clerk’s cash and cash equivalents and restricted cash and cash equivalents was \$1,338,839 and the bank balance was \$1,574,348. 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.

The Clerk’s investment practices are governed by Chapter 218.415 of the Florida Statutes. The Clerk is authorized to invest in certificates of deposit, money market certificates, obligations of the US Treasury, mutual funds and repurchase agreements collateralized by U.S. Government securities, and the Local Government Surplus Trust Fund. The Clerk did not have any investments at September 30, 2018.

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

**Credit Risk**

At September 30, 2018, the Clerk did not hold any deposits or investments that were considered to have credit risk.

**Interest Rate Risk**

At September 30, 2018, the Clerk did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

As of September 30, 2018, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

**Concentration of Credit Risk**

At September 30, 2018, the Clerk did not hold any deposits or investments that were considered to have a concentration of credit risk.

**NOTE 3 - EMPLOYEE PENSION PLAN**

The Clerk 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. 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).

For those employees hired prior to July 1, 2011, FRS 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. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year. FRS also provides death and disability benefits and cost-of-living adjustments.

Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

**Jackson County, Florida  
Clerk of the Circuit Court  
Notes to Financial Statement**

**NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)**

The funding method 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>10/01/17 Through 06/30/18</b>	<b>07/01/18 Through 09/30/18</b>
Regular employees	7.92%	8.26%
Senior management	22.71%	24.06%
Elected county officials' class	45.50%	48.70%
DROP	13.26%	14.03%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2017 through September 30, 2018, the total payroll for all employees was \$1,108,212. The retirement contributions for all employees covered by the System for the years ended September 30, 2018, 2017 and 2016 were \$161,448, \$136,375 and \$107,776, respectively, which were the required contributions. For the year ended September 30, 2018, retirement contributions represented 14.57% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Clerk's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. These amounts, if any, are recorded in the County's government-wide financial statements.

**Jackson County, Florida  
Clerk of the Circuit Court  
Notes to Financial Statement**

**NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Clerk are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 5 - COURT RELATED FEES**

Based on the legal opinion provided by the Clerks of Court Operations Corporation general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governmental Units. As of September 30, 2018, excess court-related funds were \$237,591.

**NOTE 6 - FUND BALANCES**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable net assets at September 30, 2018.

Spendable fund balances are classified based on a hierarchy of the Clerk's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2018, the Clerk reports net assets as restricted. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund.

Reservations of fund balance show amounts that are appropriated for expenditure or are legally restricted for specific uses. The purpose for each is indicated as follows:

<b>Funds</b>	<b>Purpose</b>	
Public Records Modernization Trust Fund	Funding for:	
	Modernization of Public Records	\$ 37,402
	Court-related technology	291,993
	<b>Total restricted fund balance</b>	<b>\$ 329,395</b>



**Jackson County, Florida  
Clerk of the Circuit Court  
Notes to Financial Statement**

**NOTE 7 - COOPERATIVE AGREEMENT**

The Clerk has a Cooperative Agreement with the Florida Department of Revenue. This agreement encompasses all the Clerk's child support functions. It allows for indirect cost reimbursement. The Clerk uses an established indirect cost rate to invoice the Department of Revenue each month. These amounts are federal funds received under CFDA #93.563. The net amount received was \$130,287 as of September 30, 2018.

**NOTE 8 - 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 were recorded as a transfer out to the Board of County Commissioners in the amount of \$143,678 as of September 30, 2018.

**NOTE 9 - LITIGATION AND CONTINGENT LIABILITIES**

The Clerk 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 Clerk's financial position.



**SUPPLEMENTARY INFORMATION**

Jackson County, Florida  
 Clerk of the Circuit Court  
 Combining Statement of Fiduciary Net Position  
 Agency Funds

September 30, 2018

	Fine and Forfeiture	Jury and Witness	Suspense	Cash Bonds	Registry	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 375,030	\$ 12,790	\$ 381	\$ 82,299	\$ 166,509	\$ 637,009
Total assets	\$ 375,030	\$ 12,790	\$ 381	\$ 82,299	\$ 166,509	\$ 637,009
<b>Liabilities</b>						
Due to others	\$ 375,030	\$ 12,790	\$ 381	\$ 82,299	\$ 166,509	\$ 637,009
Total liabilities	\$ 375,030	\$ 12,790	\$ 381	\$ 82,299	\$ 166,509	\$ 637,009

See Independent Auditors' Report





**COMPLIANCE SECTION**



Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

**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 Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

We have audited, in accordance with the 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, the financial statements of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated June 16, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

### **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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

June 16, 2019



Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

We have examined Jackson County, Florida, Clerk of the Circuit Court's (the "Clerk") compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

June 16, 2019



Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
28.35, FLORIDA STATUTES, *FLORIDA CLERKS OF COURT OPERATIONS  
CORPORATION*, AND SECTION 28.36, FLORIDA STATUTES, *BUDGET PROCEDURE***

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

We have examined the office of the Jackson County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

June 16, 2019



Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
61.181, FLORIDA STATUTES, *DEPOSITORY FOR ALIMONY TRANSACTIONS, SUPPORT,  
MAINTENANCE AND SUPPORT PAYMENTS; FEES***

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

We have examined the office of the Jackson County, Florida, Clerk of Circuit Court's (the "Clerk") compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees* during the year ended September 30, 2018. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

June 16, 2019



Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the financial statements of the Jackson County, Florida, Clerk of the Circuit Court (the "Clerk"), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 16, 2019.

### Auditors' Responsibility

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 Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 16, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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. No significant findings and recommendations were made in the preceding annual financial audit report.

To the Honorable Clayton O. Rooks, III  
Clerk of the Circuit Court of Jackson County, Florida  
Marianna, Florida

### **Official Title and Legal Authority**

Section 10.554(1)(i)4, 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 Jackson County, Florida, Clerk of the Circuit Court was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Clerk of the Circuit Court.

### **Financial Management**

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Clerk and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

June 16, 2019



**Jackson County, Florida  
Property Appraiser**

**Financial Statements**

**September 30, 2018**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRIcpa.com](http://CRIcpa.com)

**Jackson County, Florida  
Property Appraiser  
Table of Contents  
September 30, 2018**

**REPORT**

Independent Auditors' Report	1
------------------------------	---

**FINANCIAL STATEMENTS**

Balance Sheet - Governmental Funds	3
------------------------------------	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	4
--	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5
--	---

Notes to Financial Statements	6
-------------------------------	---

**COMPLIANCE SECTION**

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 <i>Government Auditing Standards</i>	15
---	----

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	17
--	----

Independent Auditors' Management Letter	18
---	----



# REPORT





Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITORS' REPORT

To the Honorable Rebecca Morris-Haid  
Property Appraiser of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the office of the Jackson County, Florida, Property Appraiser (Property Appraiser) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Rebecca Morris-Haid  
Property Appraiser of Jackson County, Florida  
Marianna, Florida

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Property Appraiser as of September 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2019 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* in considering the Property Appraiser's internal control over financial reporting and compliance.

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

June 16, 2019



# FINANCIAL STATEMENTS

Jackson County, Florida  
Property Appraiser  
Balance Sheet  
Governmental Funds

September 30, 2018

	General Fund
<b>Assets</b>	
Cash	\$ 99,771
<b>Total assets</b>	<b>\$ 99,771</b>
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 30,249
Due to Board of County Commissioners	69,522
<b>Total liabilities</b>	<b>99,771</b>
<b>Fund balance</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 99,771</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Property Appraiser**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2018*

	<b>General Fund</b>
<hr/>	
<b>Revenues</b>	
Charges for services	\$ 2,629
Interest earnings	1
<hr/>	
Total revenues	2,630
<hr/>	
<b>Expenditures</b>	
Current:	
General government	912,268
<hr/>	
Total expenditures	912,268
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(909,638)
<hr/>	
<b>Other financing sources (uses)</b>	
Transfers in	979,160
Transfers out	(69,522)
<hr/>	
Net other financing sources (uses)	909,638
<hr/>	
<b>Net change in fund balance</b>	-
<hr/>	
<b>Fund balance - beginning</b>	-
<hr/>	
<b>Fund balance - ending</b>	\$ -
<hr/> <hr/>	

*The accompanying notes are an integral part of these financial statements*



**Jackson County, Florida**  
**Property Appraiser**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
<b>Expenditures</b>				
Current:				
General government	\$ 972,614	\$ 979,160	\$ 909,638	\$ 69,522
Total expenditures	972,614	979,160	909,638	69,522
Excess (deficiency) of revenues over (under) expenditures	(972,614)	(979,160)	(909,638)	69,522
<b>Other financing sources (uses)</b>				
Transfer in	972,614	979,160	979,160	-
Transfer out	-	-	(69,522)	(69,522)
Net other financing sources (uses)	972,614	979,160	909,638	(69,522)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Property Appraiser**  
**Notes to 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.

**Reporting Entity**

The Jackson County Property Appraiser's office is an agency of Jackson County, Florida (County), which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners (Board), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

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

The Jackson County, Florida, Property Appraiser (Property Appraiser) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Jackson 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 (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 Jackson County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the 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.

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.

**Jackson County, Florida**  
**Property Appraiser**  
**Notes to Financial statements**

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

**Basis of Presentation**

The Property Appraiser's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Property Appraiser has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted 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 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.

**Jackson County, Florida**  
**Property Appraiser**  
**Notes to Financial statements**

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

**Basis of Accounting (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 budgets 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 Expenditures</b>	<b>Total Revenue</b>
GAAP basis	\$ 912,268	\$ 2,630
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(2,630)	(2,630)
Budgetary basis	\$ 909,638	\$ -

**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.

**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.

**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 position in the County's financial statements. No expenditure is reported in the government fund level statement for these amounts until payment is due. Compensated absences liability is based on current rate of pay.

**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.

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

**Impact of Recently Issued Accounting Pronouncements**

In fiscal year 2018, the Property Appraiser adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75)
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81)
- GASB Statement No. 85, *Omnibus 2017* (GASB 85)
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* (GASB 86)

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

**Impact of Recently Issued Accounting Pronouncements (Continued)**

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that are provided to employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans*. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Property Appraiser's governmental fund financial statements.

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Property Appraiser's financial statement as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Property Appraiser's current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Property Appraiser's financial statements as a result of the implementation of GASB 86.

**Jackson County, Florida**  
**Property Appraiser**  
**Notes to Financial statements**

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

***Pronouncements Issued But Not Yet Effective***

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Property Appraiser upon implementation. Management has not yet evaluated the effect of implementation of these standards.

<b>GASB Statement No.</b>	<b>GASB Accounting Standard</b>	<b>Effective Fiscal Year</b>
83	<i>Certain Asset Retirement Obligations</i>	2019
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
88	<i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</i>	2019
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At September 30, 2018, the carrying amount of the Property Appraiser’s cash and cash equivalents was \$99,771 and the bank balance was \$128,469. 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 Act. Provisions of the Act require that public deposit 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 Property Appraiser to invest in certificates of deposit, repurchase agreements and the State Treasurer’s Investment Pool. In addition, the statutes allow the Supervisor of Elections 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, 2018, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

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

**Interest Rate Risk**

At September 30, 2018, the Property Appraiser did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

At September 30, 2018, the Property Appraiser did not hold any deposits or investments that were considered to have custodial risk.

**Concentration of Credit Risk**

At September 30, 2018, the Property Appraiser did not hold any deposits or investments that were considered to have concentration of credit risk.

**NOTE 3 - EMPLOYEE PENSION PLAN**

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).

For those employees hired prior to July 1, 2011, FRS 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. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits 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. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.



**Jackson County, Florida**  
**Property Appraiser**  
**Notes to Financial statements**

**NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)**

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

	<b>10/01/17 Through 06/30/18</b>	<b>07/01/18 Through 09/30/18</b>
Regular employees	7.92%	8.26%
Senior management	22.71%	24.06%
DROP	13.26%	14.03%
Elected county officials' class	45.50%	48.70%
Reemployed retirees	4.96%	5.16%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Property Appraiser's employees covered by the Florida Retirement System was \$580,241 at September 30, 2018. The Property Appraiser's contribution to the plan for the years ended September 30, 2018, 2017, and 2016 was \$94,736, \$80,526, and \$68,542, respectively, which were the required contributions. For the year ended September 30, 2018 retirement contributions represent 16.33% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Property Appraiser's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Property Appraiser are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**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 of \$69,522 are accrued and reported as a reversion to the Board of County Commissioners.

**NOTE 6 - FUND BALANCE**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Property Appraiser had no non-spendable net assets at September 30, 2018.

Spendable fund balances are classified based on a hierarchy of the Property Appraiser's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. Restricted fund balances have externally imposed constraints placed on the use of resources by creditors, granters, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balances have constraints placed on the use of resources by the Property Appraiser's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. The Property Appraiser had no restricted fund balance at September 30, 2018.

**NOTE 7 - LITIGATION AND CONTINGENT LIABILITIES**

The Property Appraiser 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 Property Appraiser's financial position.



**COMPLIANCE SECTION**

**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 Rebecca Morris-Haid  
Property Appraiser of Jackson County, Florida  
Marianna, Florida

We have audited, in accordance with the 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, the financial statements of the Jackson County, Florida Property Appraiser (Property Appraiser) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Property Appraiser's basic financial statements and have issued our report thereon dated June 16, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Rebecca Morris-Haid  
Property Appraiser of Jackson County, Florida  
Marianna, Florida

## **PRIOR YEAR FINDING AND RECOMMENDATION**

### **Need for Segregation of Duties PA2006-001 - RESOLVED**

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have record keeping responsibility and custody of Property Appraiser's assets.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

RECOMMENDATION: The size of the Property Appraiser's administrative staff makes it difficult to achieve ideal segregation of duties. The Property Appraiser should be aware of this internal control weakness and continue to separate record keeping duties from custody of assets as much as possible. We also recommend that management require mandatory vacations of at least one week in duration for financial personnel and recommend that their duties be assigned to other personnel while on vacation.

STATUS: This condition has been resolved.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Property Appraiser's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

June 16, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES***

To the Honorable Rebecca Morris-Haid  
Property Appraiser of Jackson County, Florida  
Marianna, Florida

We have examined Jackson County, Florida Property Appraiser's (Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

June 16, 2019

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Rebecca Morris-Haid  
Property Appraiser of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida Property Appraiser (Property Appraiser), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 16, 2019.

### Auditors' Responsibility

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 Chapter 10.550, Rules of the Auditor General.

### Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 16, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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. Finding PA2006-001 found in 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* has been corrected.

To the Honorable Rebecca Morris-Haid  
Property Appraiser of Jackson County, Florida  
Marianna, Florida

### **Official Title and Legal Authority**

Section 10.554(1)(i)4, 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 Jackson County, Florida Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Property Appraiser.

### **Financial Management**

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations that improve financial management. In connection with our audit, we did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Property Appraiser and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

June 16, 2019



**Jackson County, Florida  
Sheriff**

**Financial statements**

**September 30, 2018**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRICpa.com](http://CRICpa.com)

Jackson County, Florida  
Sheriff  
Table of Contents  
September 30, 2018

**REPORT**

Independent Auditors' Report 1

**FINANCIAL STATEMENTS**

Balance Sheet - Governmental Funds 4

Statement of Revenues, Expenditures, and Changes in Fund  
Balances - Governmental Funds 5

Statement of Revenues, Expenditures, and Changes in Fund  
Balance - Budget and Actual - General Fund 6

Statement of Fiduciary Net Position - Agency Funds 7

Notes to Financial Statements 8

**SUPPLEMENTARY INFORMATION**

Combining Balance Sheet - Nonmajor Governmental Funds 19

Combining Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Nonmajor Governmental Funds 20

**COMPLIANCE SECTION**

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* 21

Independent Accountants' Report on Compliance with Section 218.415,  
Florida Statutes, *Local Government Investment Policies* 24

Independent Auditors' Management Letter 25

Management's Response 27



# REPORT



## INDEPENDENT AUDITORS' REPORT

To Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Jackson County, Florida, Sheriff (Sheriff) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2018, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Sheriff's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2019 on our consideration of the Sheriff'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* in considering the Sheriff's internal control over financial reporting and compliance.

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

Marianna, Florida  
June 16, 2019



# FINANCIAL STATEMENTS

**Jackson County, Florida  
Sheriff  
Balance Sheet  
Governmental Funds**

*September 30, 2018*

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 257,197	\$ -	\$ 19,052	\$ 276,249
Restricted cash and cash equivalents	-	78,060	26,879	104,939
Due from other funds	-	72	-	72
<b>Total assets</b>	<b>\$ 257,197</b>	<b>\$ 78,132</b>	<b>\$ 45,931</b>	<b>\$ 381,260</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 143,673	\$ -	\$ -	\$ 143,673
Due to Board of County Commissioners	113,524	-	-	113,524
Due to other funds	-	-	72	72
<b>Total liabilities</b>	<b>257,197</b>	<b>-</b>	<b>72</b>	<b>257,269</b>
<b>Fund balances</b>				
Restricted	-	78,132	26,807	104,939
Committed	-	-	19,052	19,052
<b>Total fund balances</b>	<b>-</b>	<b>78,132</b>	<b>45,859</b>	<b>123,991</b>
<b>Total liabilities and fund balances</b>	<b>\$ 257,197</b>	<b>\$ 78,132</b>	<b>\$ 45,931</b>	<b>\$ 381,260</b>

*The accompanying notes are an integral part of these financial statements*



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

*For the year ended September 30, 2018*

	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ 44,851	\$ -	\$ 44,851
Grants	150,000	-	-	150,000
Investment earnings	-	257	-	257
Other fees and miscellaneous revenues	149,579	-	4,233	153,812
Total revenues	299,579	45,108	4,233	348,920
<b>Expenditures</b>				
Current:				
Public safety	4,846,701	5,418	1,335	4,853,454
Capital outlay	172,515	22,608	-	195,123
Total expenditures	5,019,216	28,026	1,335	5,048,577
Excess (deficiency) of revenues over (under) expenditures	(4,719,637)	17,082	2,898	(4,699,657)
<b>Other financing sources (uses)</b>				
Transfers in	4,833,161	-	-	4,833,161
Transfers out	(113,524)	-	-	(113,524)
Net other financing sources (uses)	4,719,637	-	-	4,719,637
<b>Net change in fund balances</b>	-	17,082	2,898	19,980
<b>Fund balances - beginning</b>	-	61,050	42,961	104,011
<b>Fund balances - ending</b>	\$ -	\$ 78,132	\$ 45,859	\$ 123,991

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida  
Sheriff**

**Statement of Revenues, Expenditures, and  
Changes in Fund Balance – Budget and Actual  
General Fund**

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Grants	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Other fees and miscellaneous revenues	83,894	83,894	149,579	65,685
Total revenues	233,894	233,894	299,579	65,685
<b>Expenditures</b>				
Current:				
Public safety	4,709,864	4,709,864	4,846,701	(136,837)
Capital outlay	473,698	473,698	172,515	301,183
Total expenditures	5,183,562	5,183,562	5,019,216	164,346
Excess (deficiency) of revenues over (under) expenditures	(4,949,668)	(4,949,668)	(4,719,637)	230,031
<b>Other financing sources (uses)</b>				
Transfers in	4,949,668	4,949,668	4,833,161	(116,507)
Transfers out	-	-	(113,524)	(113,524)
Total other financing sources	4,949,668	4,949,668	4,719,637	(230,031)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*The accompanying notes are an integral part of these financial statements*

Jackson County, Florida  
Sheriff  
Statement of Fiduciary Net Position  
Agency Funds

September 30, 2018

	<b>Agency</b>
<b>Assets</b>	
Cash	\$ 41,158
<b>Total assets</b>	<b>\$ 41,158</b>
<b>Liabilities</b>	
Due to others	\$ 41,158
<b>Total liabilities</b>	<b>\$ 41,158</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Sheriff**  
**Notes to 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 financial statements.

**Reporting Entity**

The Jackson County Sheriff's office is an agency of Jackson County, Florida (County), which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners (Board), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

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

The Jackson County, Florida, Sheriff (Sheriff) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Jackson 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, 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 Jackson County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the 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.

**Jackson County, Florida**  
**Sheriff**  
**Notes to Financial statements**

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

**Basis of Presentation**

The Sheriff's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Sheriff has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida, that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted 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.

**Contraband Forfeitures Fund** - Accounts for revenues and expenses relating to various forfeitures and seizures received through efforts of the drug task force.

In addition, the Sheriff reported the following non-major governmental funds:

**Special Revenue Funds** - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the financial statements under the title "Other Governmental Funds."

**Anti-Drug Abuse Grant** - Accounts for revenues and expenditures of the drug task force grant.

**Local Law Enforcement Fund** - Accounts for revenues and expenditures relating to various equipment grants.

**Reserve Fund** - Accounts for revenues and expenditures relating to community grants, honor guard donations and summer camp donations.

**Sheriff's Auxiliary** - Accounts for revenues and expenditures relating to the Sheriff's auxiliary unit.

**Sheriff's Posse** - Accounts for revenues and expenditures related to the Sheriff's Posse unit.

**Jackson County, Florida**  
**Sheriff**  
**Notes to Financial statements**

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

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. The Governmental 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. 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.

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, Chapters 30.49 and 129.03(2), detail 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.

**Jackson County, Florida**  
**Sheriff**  
**Notes to Financial statements**

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

**Cash and Cash Equivalents**

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 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.

**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 280 hours vacation time and portion of unused sick time, with the payment of unused sick time being subject to various criteria.

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

**Due to Other Funds**

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 and money and securities coverage. The Sheriff provides for workers' compensation coverage through the Board. A separate insurance policy is carried for the aircraft.

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.

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

**Fund Balance Reporting and Governmental Fund-Type Definitions**

The Sheriff adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 10.

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

**Impact of Recently Issued Accounting Pronouncements**

In fiscal year 2018, the Sheriff adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75)
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81)
- GASB Statement No. 85, *Omnibus 2017* (GASB 85)
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* (GASB 86)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that are provided to employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans*. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. There was no material impact in the Sheriff's financial statements as a result of the implementation of GASB 75.

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Sheriff's financial statements as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). There was no material impact on the Sheriff's financial statements as a result of the implementation of GASB 85.



**Jackson County, Florida**  
**Sheriff**  
**Notes to Financial statements**

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

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Sheriff’s financial statements as a result of the implementation of GASB 86.

***Pronouncements Issued But Not Yet Effective***

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Sheriff upon implementation. Management has not yet evaluated the effect of implementation of these standards.

<b>GASB Statement No.</b>	<b>GASB Accounting Standard</b>	<b>Effective Fiscal Year</b>
83	<i>Certain Asset Retirement Obligations</i>	2019
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
88	<i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</i>	2019
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At September 30, 2018, the carrying amount of the Sheriff’s cash and cash equivalents and restricted cash and cash equivalents was \$422,346 and the bank balance was \$526,867. 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.

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

**Credit Risk**

At September 30, 2018, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

**Interest Rate Risk**

At September 30, 2018, the Sheriff did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

At September 30, 2018, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

**Concentration of Credit Risk**

At September 30, 2018, the Sheriff did not hold any deposits or investments that were considered to have a concentration of credit risk.

**NOTE 3 - DUE FROM OTHER GOVERNMENTS**

Due from other governments consisted of amounts due from the State of Florida earned but not received as of September 30, 2018.

**NOTE 4 - EMPLOYEE PENSION PLAN**

The Sheriff 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).

For those employees hired prior to July 1, 2011, FRS 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. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits 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. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

**Jackson County, Florida**  
**Sheriff**  
**Notes to Financial statements**

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

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

	<b>10/01/17 Through 06/30/18</b>	<b>07/01/18 Through 9/30/18</b>
Regular employees	7.92%	8.26%
Senior management	22.71%	24.06%
Elected county officials	45.50%	48.70%
Special risk employees	23.27%	24.50%
DROP participants	13.26%	14.03%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 01, 2017 through September 30, 2018, the total payroll for all employees was \$3,082,964. The retirement contributions for all employees covered by the System for the years ended September 30, 2018, 2017 and 2016 were \$576,548, \$538,106 and \$506,366, respectively, which were the required contributions. For the year ended September 30, 2018 retirement contributions represented 18.70% of covered payroll.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

**Jackson County, Florida**  
**Sheriff**  
**Notes to Financial statements**

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

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Sheriff's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 5 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 4, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Sheriff are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 6 - 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, 2018, as well as prior years, have not been 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.

**NOTE 7 - 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 8 - BUDGET**

Budgets were not prepared for the various special revenue funds.

**NOTE 9 - 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. For the year ended September 30, 2018, excess revenues over expenditures of \$113,524 are accrued and reported as transfers out to the Board of County Commissioners.

**Jackson County, Florida**  
**Sheriff**  
**Notes to Financial statements**

**NOTE 10 - FUND BALANCES**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable net assets at September 30, 2018.

Spendable fund balances are classified based on a hierarchy of the Sheriff's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ended September 30, 2018, the Sheriff reports fund balances as restricted. Restricted fund balance has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balance has constraints placed on the use of resources by the Sheriff's intent to use the resources for specific purposes. Unassigned fund balance has not been restricted, committed or assigned to specific purposes within the general fund.

Restricted fund balances at September 30, 2018 are as follows:

	Contraband Forfeitures	Other Governmental Funds	Total
Restricted for:			
Public safety grants	\$ -	\$ 26,807	\$ 26,807
Crime prevention	78,132	-	78,132
<b>Total fund balances - restricted</b>	<b>\$ 78,132</b>	<b>\$ 26,807</b>	<b>\$ 104,939</b>

Committed fund balances at September 30, 2018 are as follows:

	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total
Committed for:				
Community activities	\$ 4,248	\$ -	\$ -	\$ 4,248
Auxiliary unit	-	13,298	-	13,298
Sheriff's posse unit	-	-	1,506	1,506
<b>Total fund balances - committed</b>	<b>\$ 4,248</b>	<b>\$ 13,298</b>	<b>\$ 1,506</b>	<b>\$ 19,052</b>

**NOTE 11 - COMMITMENTS**

During the year ended September 30, 2018, the Sheriff entered into a software licensing and support agreement. One annual payment of \$161,705 was paid during the current fiscal year. The Sheriff has a commitment of annual payments in the amount of \$161,705 to be made during the next two consecutive years.

**NOTE 12 - SUBSEQUENT EVENTS**

Subsequent to year end, the County, including the Sheriff's office, sustained damages to property, equipment and infrastructure as a result of Hurricane Michael. The total loss sustained is still unknown. While the Sheriff is insured, there will be uninsured losses particularly related to infrastructure. The County is seeking assistance from disaster related federal and state agencies, including the Federal Emergency Management Agency (FEMA).



**SUPPLEMENTARY INFORMATION**

**Jackson County, Florida  
Sheriff  
Combining Balance Sheet  
Nonmajor Governmental Funds**

September 30, 2018

	Anti-Drug Abuse Grant	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 4,248	\$ 13,298	\$ 1,506	\$ 19,052
Restricted cash and cash equivalents	26,879	-	-	-	26,879
<b>Total assets</b>	<b>\$ 26,879</b>	<b>\$ 4,248</b>	<b>\$ 13,298</b>	<b>\$ 1,506</b>	<b>\$ 45,931</b>
<b>Liabilities</b>					
Due to other funds	\$ 72	\$ -	\$ -	\$ -	\$ 72
<b>Total liabilities</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>
<b>Fund balances</b>					
Restricted	26,807	-	-	-	26,807
Committed	-	4,248	13,298	1,506	19,052
<b>Total fund balances</b>	<b>26,807</b>	<b>4,248</b>	<b>13,298</b>	<b>1,506</b>	<b>45,859</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,879</b>	<b>\$ 4,248</b>	<b>\$ 13,298</b>	<b>\$ 1,506</b>	<b>\$ 45,931</b>

*The accompanying notes are an integral part of these financial statements*



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

*For the year ended September 30, 2018*

	Anti-Drug Abuse Grant	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Other fees and miscellaneous revenues	\$ 290	\$ 3,050	\$ -	\$ 893	\$ 4,233
Total revenues	290	3,050	-	893	4,233
<b>Expenditures</b>					
Current:					
Public safety	-	1,205	-	130	1,335
Total expenditures	-	1,205	-	130	1,335
Excess (deficiency) of revenues (under) expenditures	290	1,845	-	763	2,898
<b>Net change in fund balances</b>	290	1,845	-	763	2,898
<b>Fund balances - beginning</b>	26,517	2,403	13,298	743	42,961
<b>Fund balances - ending</b>	\$ 26,807	\$ 4,248	\$ 13,298	\$ 1,506	\$ 45,859

*The accompanying notes are an integral part of these financial statements*



**COMPLIANCE SECTION**

**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**

Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

We have audited, in accordance with the 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, the financial statements of the major fund and aggregate remaining funds of the Jackson County, Florida, Sheriff (Sheriff) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated June 16, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described below as SH2017-01 and SH2006-01 that we consider to be material weaknesses.

Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

### **Prior Year Comments**

#### **SH2017-01 – Trust Account**

CRITERIA: The Trust account should only include transactions related to funds held on behalf of other individuals or entities.

CONDITION: Non-trust activity passed through the trust account.

CAUSE: Sheriff employees were not aware of the Trust account's required limitations.

EFFECT: Unbudgeted items received from the Board of County Commissioners were deposited into the Trust Account.

RECOMMENDATION: We recommend the Trust account be reserved for trust related activity only.

STATUS: This condition continues to exist.

#### **SH2006-01 – Segregation of Duties**

CRITERIA: The internal control environment should include proper segregation of duties and responsibilities over accounting functions.

CONDITION: There is a lack of segregation of duties between employees who have recordkeeping responsibility and employees who have custody of the Sheriff's assets.

CAUSE: The Sheriff has limited personnel in the accounting department.

EFFECT: The possibility exists that unintentional or intentional errors or irregularities could occur and not be promptly detected.

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. We also recommend the Sheriff receive and review the unopened bank statements each month.

STATUS: This condition continues to exist.

Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free from 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*.

### **Sheriff's Response to Findings**

The Sheriff's response to the findings identified in our audit is described in the accompanying Management's Response. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Marianna, Florida  
June 16, 2019

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

We have examined Jackson County, Florida, Sheriff (Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Sheriff's compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

Marianna, Florida  
June 16, 2019

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida Sheriff (Sheriff), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 16, 2019.

### Auditors' Responsibility

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 Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 16, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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 findings and recommendations made in the preceding annual financial audit report except as noted under the heading Prior Year Comments in the Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.

### Official Title and Legal Authority

Section 10.554(1)(i)4., 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 Jackson 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 Jackson County, Florida Sheriff.

Honorable Louis S. Roberts III  
Sheriff  
Jackson County, Florida

### **Financial Management**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit. We did not have any such recommendations.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

Marianna, Florida  
June 16, 2019



**Jackson County, Florida  
Sheriff  
Management's Response**



**LOUIS S. ROBERTS III**  
**Sheriff**  
**Jackson County**



AREA 850  
Office: 482-9624 • Dispatch: 482-9648  
Administration: 482-9664 • C.I.D.: 482-9664  
FAX: 482-9017  
P.O. Box 919 • Marianna, Florida 32447

Honorable Sherrill F. Norman  
State of Florida Auditor General  
Claude Pepper Building  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Dear Auditor General Norman,

We have received the audit report for the Office of the Sheriff, Jackson County, Florida, for the fiscal year ending September 30, 2018. We have reviewed the Management Letter included in the report. Please see our response below concerning the items noted in the Management Letter.


**1. Need for Segregation of Duties**

This has been a deficiency for several years due to constant budget constraints by the County. The Board of County Commissioners would not award another administrative position to the Sheriff for accounting and payroll services. As such, we have had to operate with what we have to the best of our abilities. To help remedy this problem in previous years, the Sheriff assigned the task of approving all bills to the Major before they are paid. Sheriff Roberts receives a copy of our Budget Position Analysis at the end of each month. Sheriff Roberts opens our bank statements then signs them. Commanders Scott Edwards and Virgil Watson approve purchases. No new administrative staff positions are expected to be granted by the Board of County Commissioners in the near future. The Sheriff's Office was in a position to pull from another division to help with accounting and payroll duties. However, the opportunity is no longer available to pull from another division. As such, this will be a recurring problem until we are awarded another position to permanently remedy this.

**2. Trust Account**

In previous years all money that was not part of our approved budget was put into our Trust account. Funds deposited into the Trust account included money that we requested from the Board of County Commissioners from accounts the Board held on behalf of the Sheriff, such as Equitable Sharing Funds and Local Law Enforcement Automation Funds. Checks were issued to the appropriate vendors from the Trust account. They were recorded appropriately and are able to be tracked accordingly. Depositing these monies into the Trust account allowed us to better track monies that were received that were not part of our approved Budget. We have since been made aware of the limitations imposed on Trust accounts and have been given guidance on how to correct the issue. At the time we were advised how to correct it, it was already late into the fiscal year. To prevent confusion, we continued to operate in the same manner until the end of the fiscal year. All changes were made effective at the start of the 2018-2019 fiscal year.

Sincerely,

  
Louis S. Roberts III, Sheriff  
Jackson County Florida

  
Sarah K. Sun, Finance Officer  
Jackson County Sheriff's Office

cc: Carr, Riggs, and Ingram, LLC

**Jackson County, Florida  
Supervisor of Elections**

**Financial Statements**


**September 30, 2018**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRIcpa.com](http://CRIcpa.com)



**Jackson County, Florida  
Supervisor of Elections  
Table of Contents  
September 30, 2018**

**REPORT**

Independent Auditors' Report	1
------------------------------	---

**FINANCIAL STATEMENTS**

Balance Sheet - Governmental Funds	3
------------------------------------	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	4
--	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5
--	---

Notes to Financial Statements	6
-------------------------------	---

**COMPLIANCE SECTION**

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 <i>Government Auditing Standards</i>	15
---	----

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	17
--	----

Independent Auditors' Management Letter	18
---	----



# REPORT





Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITORS' REPORT

To the Honorable Sylvia Stephens  
Supervisor of Elections of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund of the office of the Jackson County, Florida, Supervisor of Elections (Supervisor of Elections) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Sylvia Stephens  
Supervisor of Elections of Jackson County, Florida  
Marianna, Florida

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Supervisor of Elections as of September 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated June 19, 2019 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* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

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

June 19, 2019



# FINANCIAL STATEMENTS

Jackson County, Florida  
Supervisor of Elections  
Balance Sheet  
Governmental Funds

September 30, 2018

	General Fund
<b>Assets</b>	
Cash and cash equivalents	\$ 7,635
Restricted cash and cash equivalents	23,416
Due from other governments	7
Due from Board of County Commissioners	1,324
<b>Total assets</b>	<b>\$ 32,382</b>
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 28,264
Unearned revenue	4,118
<b>Total liabilities</b>	<b>32,382</b>
<b>Fund balance</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 32,382</b>

*The accompanying notes are an integral part of these financial statements*



**Jackson County, Florida**  
**Supervisor of Elections**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2018*

	<b>General Fund</b>
<hr/>	
<b>Revenues</b>	
Grants	\$ 95,691
Investment earnings	4
Other fees and miscellaneous revenue	3,189
<hr/>	
Total revenues	98,884
<hr/>	
<b>Expenditures</b>	
Current:	
General government	700,520
<hr/>	
Total expenditures	700,520
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(601,636)
<hr/>	
<b>Other financing sources (uses)</b>	
Transfers in	601,636
<hr/>	
Net other financing sources (uses)	601,636
<hr/>	
<b>Net change in fund balance</b>	-
<hr/>	
<b>Fund balance, beginning</b>	-
<hr/>	
<b>Fund balance, ending</b>	\$ -
<hr/> <hr/>	

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Supervisor of Elections**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts	Variance with Fund Budget Favorable (Unfavorable)
<b>Revenues</b>				
Grants	\$ 33,183	\$ 130,393	\$ 95,691	\$ (34,702)
Investment earnings	25	25	4	(21)
Other fees and miscellaneous revenues	3,500	3,500	3,189	(311)
<b>Total revenues</b>	<b>36,708</b>	<b>133,918</b>	<b>98,884</b>	<b>(35,034)</b>
<b>Expenditures</b>				
Current:				
General government	612,020	754,230	700,520	53,710
<b>Total expenditures</b>	<b>612,020</b>	<b>754,230</b>	<b>700,520</b>	<b>53,710</b>
Excess (deficiency) of revenues over (under) expenditures	(575,312)	(620,312)	(601,636)	18,676
<b>Other financing sources (uses)</b>				
Transfer in	575,312	620,312	601,636	(18,676)
<b>Net other financing sources (uses)</b>	<b>575,312</b>	<b>620,312</b>	<b>601,636</b>	<b>(18,676)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Supervisor of Elections**  
**Notes to 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.

**Reporting Entity**

The Jackson County Supervisor of Elections' office is an agency of Jackson County, Florida (County), which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners (Board), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

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

The Jackson County, Florida Supervisor of Elections (Supervisor of Elections) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of Jackson 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 Supervisor of Elections' office is operationally autonomous from the Board of County Commissioners, it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is reported as part of the primary government of Jackson County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(5), Rules of the Auditor General State of Florida, the 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 of Elections.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' 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.

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

**Basis of Presentation**

The Supervisor of Elections' financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Supervisor of Elections has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted 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 and grant activity of the Supervisor of Elections. 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 when revenues and expenditures are recognized in the accounts and reported in the general fund financial statements and refers to the timing of the measurement 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

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

**Basis of Accounting (continued)**

accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

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

**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.

**Restricted Cash**

At September 30, 2018, the Supervisor of Elections held restricted funds of \$23,416 for grants.

**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 Supervisor of Elections are capitalized at cost in the capital asset accounts of the County. The Supervisor of Elections' assets are reported in the statement of net position in the County's financial statements. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

**Accumulated Compensated Absences**

The Supervisor of Elections 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 Supervisor of Elections' office 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 Supervisor of Elections' compensated absences are accrued and reported in the government-wide financial statements of the County's financial statements.

**Budgetary Requirements**

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections' 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.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

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

**Risk Management and Insurance**

The Supervisor of Elections 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.

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

**Impact of Recently Issued Accounting Pronouncements**

In fiscal year 2018, the Supervisor of Elections adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75)
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81)
- GASB Statement No. 85, *Omnibus 2017* (GASB 85)
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* (GASB 86)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that are provided to employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans*. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Supervisor of Elections' governmental fund financial statements.

**Jackson County, Florida**  
**Supervisor of Elections**  
**Notes to Financial statements**

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

**Impact of Recently Issued Accounting Pronouncements (continued)**

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Supervisor of Elections' financial statements as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Supervisor of Elections' current accounting practices nor its financial reporting.

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Supervisor of Elections' financial statements as a result of the implementation of GASB 86.

***Pronouncements Issued But Not Yet Effective***

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Supervisor of Elections upon implementation. Management has not yet evaluated the effect of implementation of these standards.

<b>GASB Statement No.</b>	<b>GASB Accounting Standard</b>	<b>Effective Fiscal Year</b>
83	<i>Certain Asset Retirement Obligations</i>	2019
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
88	<i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</i>	2019
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At September 30, 2018, the carrying amount of the Supervisor of Elections' cash and cash equivalents and restricted cash and cash equivalents was \$31,051 and the bank balance was \$43,505. 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 of Elections to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Supervisor of Elections 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, 2018, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

**Interest Rate Risk**

At September 30, 2018, the Supervisor of Elections did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

At September 30, 2018, the Supervisor of Elections did not hold any deposits or investments that were considered to have custodial risk.

**Concentration of Credit Risk**

At September 30, 2018, the Supervisor of Elections did not hold any deposits or investments that were considered to have concentration of credit risk.

**NOTE 3 - EMPLOYEE BENEFITS**

The Supervisor of Elections 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).



**Jackson County, Florida  
Supervisor of Elections  
Notes to Financial statements**

**NOTE 3 - EMPLOYEE BENEFITS (CONTINUED)**

For those employees hired prior to July 1, 2011, FRS 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. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits 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. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

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

	<b>10/01/17 Through <u>06/30/18</u></b>	<b>07/01/18 Through <u>09/30/18</u></b>
Regular employees	7.92%	8.26%
Senior management	22.71%	24.06%
Elected county officials' class	45.50%	48.70%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Supervisor of Elections' employees covered by the Florida Retirement System was \$246,102 for the year ended September 30, 2018. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2018, 2017 and 2016 was \$67,923, \$68,581 and \$56,010, respectively, which were the required contributions. These contributions represent 27.59% of covered payroll for the year ended September 30, 2018.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

**NOTE 3 - EMPLOYEE BENEFITS (CONTINUED)**

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Supervisor of Elections' governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 4 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Supervisor of Elections are covered under the County's plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 5 - GRANTS**

The Supervisor of Elections 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, 2018, as well as prior years, have not been yet been accepted/approved by the grantors. Accordingly, the final determination of the Supervisor or Elections' 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 of Elections expects such amounts, if any, to be immaterial.

**NOTE 5 - GRANTS (CONTINUED)**

The Supervisor of Elections is a recipient of a \$130,979 Help America Vote Act (HAVA) grant as a reimbursement for the purchase of hardware, software and elections services for voting system equipment. This equipment was purchased during the FY 2015-16. For each fiscal year, FY 2015-16 through FY 2019-20, the Supervisor of Elections will receive an annual payment of \$26,196. Based on the modified accrual basis of accounting, revenues will be recorded once they are measurable and available.

**NOTE 6 - 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. There was no excess revenue in the current year.

**NOTE 7 - FUND BALANCE**

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The Supervisor of Elections had no non-spendable net assets at September 30, 2018.

Spendable fund balances are classified based on a hierarchy of the Supervisor of Elections' ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. Restricted fund balances have externally imposed constraints placed on the use of resources by creditors, granters, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned fund balances have constraints placed on the use of resources by the Supervisor of Elections' intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. The Supervisor of Elections had no restricted fund balance at September 30, 2018.

**NOTE 8 - LITIGATION AND CONTINGENT LIABILITIES**

The Supervisor of Elections 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 Supervisor of Elections' financial position.



**COMPLIANCE SECTION**

**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 Sylvia Stephens  
Supervisor of Elections of Jackson County, Florida  
Marianna, Florida

We have audited, in accordance with the 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, the financial statements of the Jackson County, Florida, Supervisor of Elections (Supervisor of Elections) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements and have issued our report thereon dated June 19, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Supervisor of Election's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Sylvia Stephens  
Supervisor of Elections of Jackson County, Florida  
Marianna, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Supervisor of Elections' 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

June 19, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

The Honorable Sylvia Stephens  
Supervisor of Elections of Jackson County, Florida  
Marianna, Florida

We have examined Jackson County, Florida, Supervisor of Elections' (Supervisor of Elections) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor of Elections complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

June 19, 2019

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Sylvia Stephens  
Supervisor of Elections of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida, Supervisor of Elections (Supervisor of Elections), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 19, 2019.

### Auditors' Responsibility

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 Chapter 10.550, Rules of the Auditor General.

### Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 19, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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 findings and recommendations made in the preceding annual financial audit report.



To the Honorable Sylvia Stephens  
Supervisor of Elections of Jackson County, Florida  
Marianna, Florida

### **Official Title and Legal Authority**

Section 10.554(1)(i)4, 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 Jackson County, Florida Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida Supervisor of Elections.

### **Financial Management**

Section 10.554(1)(i)2, 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.

### **SUPERVISOR OF ELECTIONS SALARY 2017-001 – RESOLVED**

**CRITERIA:** The Supervisor of Elections' salary should comply with the salary set by the State of Florida's Legislature.

**CONDITION:** The Supervisor of Elections' salary exceeded the salary allowed by the State of Florida's Legislature.

**CAUSE:** The Supervisor of Elections' salary was calculated for a twenty-four pay period cycle. However, the Supervisor of Elections' payroll is paid on a twenty-six pay period cycle.

**EFFECT:** The Supervisor of Elections' salary exceeded the salary allowed by the State of Florida's Legislature by \$8,855.

**RECOMMENDATION:** We recommend that the Supervisor of Elections' comply with allowed salaries allowed by the State of Florida's Legislature

**RESPONSE:** The error was detected at year end. The Supervisor of Elections repaid the excess salary subsequent to year end.

**STATUS:** This condition has been resolved.

To the Honorable Sylvia Stephens  
Supervisor of Elections of Jackson County, Florida  
Marianna, Florida

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Supervisor of Elections and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

June 19, 2019

**Jackson County, Florida  
Tax Collector**

**Financial Statements**

**September 30, 2018**



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRIcpa.com](http://CRIcpa.com)

Jackson County, Florida  
Tax Collector  
Table of Contents  
September 30, 2018

**REPORT**

Independent Auditors' Report	1
------------------------------	---

**FINANCIAL STATEMENTS**

Balance Sheet - Governmental Funds	4
------------------------------------	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	5
--	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	6
--	---

Statement of Fiduciary Net Position - Agency Funds	7
--	---

Notes to Financial Statements	8
-------------------------------	---

**SUPPLEMENTARY INFORMATION**

Combining Statement of Fiduciary Net Position - Agency Funds	18
--	----

**COMPLIANCE SECTION**

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 <i>Government Auditing Standards</i>	19
---	----

Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	21
--	----

Independent Auditors' Management Letter	22
---	----



# REPORT





Carr, Riggs & Ingram, LLC  
4267 Lafayette Street  
Marianna, FL 32446

Mailing Address:  
P.O. Box 1606  
Marianna, FL 32447

(850) 526-3207  
(850) 526-5322 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mary Carol Murdock  
Tax Collector of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Jackson County, Florida, Tax Collector (the "Tax Collector") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mary Carol Murdock  
Tax Collector of Jackson County, Florida  
Marianna, Florida

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2018, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position, where applicable, of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, where applicable, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to these matters.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tax Collector's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mary Carol Murdock  
Tax Collector of Jackson County, Florida  
Marianna, Florida

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019 on our consideration of the Tax Collector'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* in considering the Tax Collector's internal control over financial reporting and compliance.

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

June 21, 2019





# FINANCIAL STATEMENTS

Jackson County, Florida  
Tax Collector  
Balance Sheet  
Governmental Funds

September 30, 2018

	General Fund
<b>Assets</b>	
Cash	\$ 68,479
<hr/>	
Total assets	\$ 68,479
<hr/>	
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 29,404
Unearned revenue	14,000
Due to Board of County Commissioners	22,875
<hr/>	
Total liabilities	66,279
<hr/>	
<b>Fund balance</b>	2,200
<hr/>	
Total liabilities and fund balance	\$ 68,479
<hr/>	

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Tax Collector**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2018*

	<b>General Fund</b>
<hr/>	
<b>Revenues</b>	
Charges for services	\$ 1,058,229
<hr/>	
Total revenues	1,058,229
<hr/>	
<b>Expenditures</b>	
Current:	
General government	1,198,685
Capital outlay	18,065
<hr/>	
Total expenditures	1,216,750
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(158,521)
<hr/>	
<b>Other financing sources (uses)</b>	
Transfers in	181,396
Transfers out	(22,875)
<hr/>	
Net other financing sources (uses)	158,521
<hr/>	
<b>Net change in fund balance</b>	-
<hr/>	
<b>Fund balance - beginning</b>	2,200
<hr/>	
<b>Fund balance - ending</b>	\$ 2,200
<hr/> <hr/>	

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Tax Collector**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**

*For the year ended September 30, 2018*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Charges for services	\$ 1,061,644	\$ 1,061,644	\$ 1,058,229	\$ (3,415)
Total revenues	1,061,644	1,061,644	1,058,229	(3,415)
<b>Expenditures</b>				
Current:				
General government	1,243,040	1,224,975	1,198,685	26,290
Capital outlay	-	18,065	18,065	-
Total expenditures	1,243,040	1,243,040	1,216,750	26,290
Excess (deficiency) of revenues over (under) expenditures	(181,396)	(181,396)	(158,521)	22,875
<b>Other financing sources (uses)</b>				
Transfers in	181,396	181,396	181,396	-
Transfers out	-	-	(22,875)	(22,875)
Net other financing sources (uses)	181,396	181,396	158,521	(22,875)
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Tax Collector**  
**Statement of Fiduciary Net Position**  
**Agency Funds**

*September 30, 2018*

	<b>Agency Funds</b>
<b>Assets</b>	
Cash	\$ 410,998
<b>Total assets</b>	<b>\$ 410,998</b>
<b>Liabilities</b>	
Due to others	\$ 410,998
<b>Total liabilities</b>	<b>\$ 410,998</b>

*The accompanying notes are an integral part of these financial statements*

**Jackson County, Florida**  
**Tax Collector**  
**Notes to 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.

**Reporting Entity**

The Jackson County Tax Collector's office is an agency of Jackson County, Florida, which is a political subdivision of the State of Florida. The County was established on August 12, 1822, by the First Session of the Territorial Legislative Council. Jackson County, Florida is governed by an elected Board of County Commissioners (Board), which derives its authority by the County Charter, Florida State Statutes and regulations. In addition to the members of the Board, there are five elected Constitutional Officers: Clerk of Courts, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

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

The Jackson County, Florida Tax Collector (Tax Collector) is a separately elected County official established pursuant to the Constitution of the State of Florida. The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Jackson 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 Tax Collector's office is operationally autonomous from the Board of County Commissioners (Board), it does not hold sufficient corporate powers of its own to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is reported as part of the primary government of Jackson County, Florida.

These financial statements are not intended to be a complete presentation of the financial position and results of operations of Jackson County, Florida taken as a whole. As permitted by Chapter 10.556(4), Rules of the Auditor General State of Florida, the 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 Tax Collector.

The Tax Collector operates on a fee and budgetary system. Under the fee system, the officer retains fees, commissions, and other revenue to pay all operating expenditures, including statutory compensation. Under the budgetary system, appropriated funds are received from the Board of County Commissioners and are recorded as other financing sources on the Tax Collector's financial statements and as other financing uses on the Board's financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board of County Commissioners after the end of the fiscal year.

**Jackson County, Florida**  
**Tax Collector**  
**Notes to Financial statements**

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

**Basis of Presentation**

The Tax Collector's financial statements have been prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). These financial statements are the fund financial statements required by generally accepted accounting principles. However, these fund statements do not constitute a complete presentation because, in conformity with the Rules, the Tax Collector has not presented reconciliations to the government-wide financial statements, management's discussion and analysis, or the pension or the other post-employment benefit related required supplementary information. Also, certain notes to the financial statements may supplement rather than duplicate the notes included in the County's countywide financial statements. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of each major fund, and the aggregate remaining fund information, of Jackson County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Jackson County, Florida, as of September 30, 2018, and the changes in its financial position, for the fiscal year then ended in accordance with accounting principles generally accepted 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 Tax Collector. It is used to account for all financial resources, except those required to be accounted for in another fund.

The Tax Collector also reported the following fund type:

**Agency Funds** - The agency funds are used to account for assets held by the Tax Collector 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. The Tax Collector reports the License and Boat, Tag, Tax, Driver's License and Credit Cards as agency funds.

**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. All governmental funds are 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. 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.

**Jackson County, Florida**  
**Tax Collector**  
**Notes to 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.

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 Tax Collector's policy to use restricted resources first, then unrestricted resources as needed.

**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.

**Capital Assets and Depreciation**

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector's assets are reported in the Statement of Net Assets in the County's financial statements. The Tax Collector maintains custodial responsibility for the capital assets used by her office.

**Accumulated Compensated Absences**

Permanent full-time employees of the Tax Collector are entitled to sick and annual leave based on length of employment. A maximum of 280 hours of annual leave may be carried forward to future years. Upon separation from employment, employees can be paid for unused leave in accordance with personnel policy.

The Tax Collector's accumulated compensated absences are reported in the statement of net position in the County's financial statements.

**Budgetary Requirements**

Florida Statutes, Chapter 218.35 and 195.087, details the preparation, adoption and administration of the Tax Collectors' annual budget. The Tax Collector establishes an annual balanced budget for her 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 Department of Revenue and the Board of County Commissioners. The budget is prepared on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America.



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

**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 reacquire the real property 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.

**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.

**Subsequent Events**

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

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

**Government Fund Balances**

The Tax Collector adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 6.

**Impact of Recently Issued Accounting Pronouncements**

In fiscal year 2018, the Tax Collector adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board ("GASB"):

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75)
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements* (GASB 81)
- GASB Statement No. 85, *Omnibus 2017* (GASB 85)
- GASB Statement No. 86, *Certain Debt Extinguishment Issues* (GASB 86)

GASB 75 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for OPEB that are provided to employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements meeting certain criteria. GASB 75 also establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. GASB 75 replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurement by Agent Employers and Agent Employers and Agent Multiple-Employer Plans*. For defined benefit OPEB plans, GASB 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service. Note disclosure and required supplementary information are addressed. The adoption of GASB 75 had no impact on the Tax Collector's governmental fund financial statements.

GASB 81 requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources as the inception of the agreement. GASB 81 also provides expanded guidance for circumstances in which the government holds the assets. There was no material impact on the Tax Collector's financial statement as a result of the implementation of GASB 81.

GASB 85 addresses practice issues that were identified during the implementation and application of certain GASB Statements. GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The adoption of GASB 85 had no impact on the Tax Collector's current accounting practices nor its financial reporting.

**Jackson County, Florida**  
**Tax Collector**  
**Notes to Financial statements**

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

GASB 86 establishes standards of accounting and financial reporting requirements, for in-substance defeasance of debt transactions in which cash and other monetary assets acquired with only existing resources – that is, resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of future repayment of outstanding debt. There was no material impact on the Tax Collector’s financial statements as a result of the implementation of GASB 86.

***Pronouncements Issued But Not Yet Effective***

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the Tax Collector upon implementation. Management has not yet evaluated the effect of implementation of these standards.

<b>GASB Statement No.</b>	<b>GASB Accounting Standard</b>	<b>Effective Fiscal Year</b>
83	<i>Certain Asset Retirement Obligations</i>	2019
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
88	<i>Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements</i>	2019
89	<i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2021
90	<i>Majority Equity Interest an amendment of GASB Statements No. 14 and No. 61</i>	2020

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At September 30, 2018, the carrying amount of the Tax Collector's cash and cash equivalents was \$479,477 and the bank balance was \$272,192. 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 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.

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

**Credit Risk**

At September 30, 2018, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

**Interest Rate Risk**

At September 30, 2018, the Tax Collector did not hold any deposits or investments that were considered to have interest rate risk.

**Custodial Credit Risk**

At September 30, 2018, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

**Concentration of Credit Risk**

At September 30, 2018, the Tax Collector did not hold any deposits or investments that were considered to have concentration of credit risk.

**NOTE 3 - EMPLOYEE PENSION PLAN**

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).

For those employees hired prior to July 1, 2011, FRS 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. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits 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. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

**Jackson County, Florida**  
**Tax Collector**  
**Notes to Financial statements**

**NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)**

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

	<b>10/01/17 Through 06/30/18</b>	<b>07/01/18 Through 09/30/18</b>
Regular employees	7.92%	8.26%
Senior management	22.71%	24.06%
Elected county officials' class	45.50%	48.70%
DROP plan participants	13.26%	14.03%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. Total payroll for the Tax Collector employees covered by the Florida Retirement System was \$797,361 for the year ended September 30, 2018. The Tax Collector's contribution to the plan for the years ended September 30, 2018, 2017, and 2016 totaled \$94,971, \$87,600, and \$83,191, respectively, which were the required contributions. These contributions represented 11.91% of covered payroll for the year ended September 30, 2018.

GASB Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts or equivalent arrangements, and to the financial statements of state and local governmental non-employer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

**Jackson County, Florida**  
**Tax Collector**  
**Notes to Financial statements**

**NOTE 3 - EMPLOYEE PENSION PLAN (CONTINUED)**

The adoption of Statement No. 68 has no impact on the Jackson County, Florida Tax Collector's governmental fund financial statements, which continue to report expenditures in the amount of the actuarially determined contributions, as required by State law. The calculation of pension contributions is unaffected by the change. These amounts, if any, are recorded in the County's government-wide financial statements.

**NOTE 4 - 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 ended September 30, 2018, excess revenues over expenditures of \$22,875 are accrued and reported as a transfer out.

**NOTE 5 - OPERATING LEASES**

The Tax Collector leases various buildings under operating leases with annual lease terms. Rental expense under operating leases for the year ended September 30, 2018 was \$20,040. The minimum future lease payments under operating leases as of September 30, 2018 and for each year until expiration are:

2019	\$	12,540
2020		12,540
2021		12,540
2022		12,540
<hr/>		
<u>Total minimum future lease payments</u>	<u>\$</u>	<u>50,160</u>

**NOTE 6 - FUND BALANCES**

Fund balances are classified based upon a hierarchy of the Tax Collector's ability to control spending of these fund balances and can be classified in the following categories:

Non Spendable – Amounts that cannot be spent because they are either not spendable in form or they are legally or contractually required to be maintained intact.

**NOTE 6 - FUND BALANCES (CONTINUED)**

Restricted – Amounts that can be spent only for purposes stipulated by external parties, constitution provision or enabling legislation.

Committed – Amounts constrained for a specific purpose by the Tax Collector.

Assigned – For the general fund, amounts constrained for the intent to be used for a specific purpose by the Board of County Commissioners. For all governmental funds other than the general fund, any positive remaining amounts not classified as nonspendable, restricted or committed.

Unassigned – All amounts not included in other spendable classifications.

At September 30, 2018, all of the Tax Collector’s fund balance is classified as unassigned.

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

In addition to the retirement plan in Note 3, the County, in accordance with Section 112.0801, Florida Statutes, provides post-retirement health care benefits to all retired employees who participated in the group health plan while employed. Employees of the Tax Collector are covered under the County’s plan. The County is required to measure and recognize the annual cost of the future benefits and calculate the annual employer funding requirements and, to the extent funding is not made by the County recognize another post-employment benefit (OPEB) liability on the balance sheet of the County. These amounts, if any, are recorded in the County’s government-wide financial statements.

**NOTE 8 - LITIGATION AND CONTINGENT LIABILITIES**

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



**SUPPLEMENTARY INFORMATION**



Jackson County, Florida  
 Tax Collector  
 Combining Statement of Fiduciary Net Position  
 Agency Funds

September 30, 2018

	License and Boat	Tag	Tax	Driver's License	Credit Cards	Total
<b>Assets</b>						
Cash	\$ 1,070	\$ 48,796	\$ 341,710	\$ 8,107	\$ 11,315	\$ 410,998
Total assets	\$ 1,070	\$ 48,796	\$ 341,710	\$ 8,107	\$ 11,315	\$ 410,998
<b>Liabilities</b>						
Due to others	\$ 1,070	\$ 48,796	\$ 341,710	\$ 8,107	\$ 11,315	\$ 410,998
Total liabilities	\$ 1,070	\$ 48,796	\$ 341,710	\$ 8,107	\$ 11,315	\$ 410,998

See Independent Auditors' Report



**COMPLIANCE SECTION**

**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 Mary Carol Murdock  
Tax Collector of Jackson County, Florida  
Marianna, Florida

We have audited, in accordance with the 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, the financial statements of the Jackson County, Florida, Tax Collector (Tax Collector) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements and have issued our report thereon dated June 21, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Honorable Mary Carol Murdock  
Tax Collector of Jackson County, Florida  
Marianna, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Tax Collector'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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

June 21, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION  
218.415, FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

To the Honorable Mary Carol Murdock  
Tax Collector of Jackson County, Florida  
Marianna, Florida

We have examined Jackson County, Florida, Tax Collector (Tax Collector) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2018. Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2018.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

June 21, 2019

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Mary Carol Murdock  
Tax Collector of Jackson County, Florida  
Marianna, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the Jackson County, Florida Tax Collector (Tax Collector), as of and for the year ended September 30, 2018, and have issued our report thereon dated June 21, 2019.

### Auditors' Responsibility

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 Chapter 10.550, Rules of the Auditor General.

### Other Reports

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 21, 2019, should be considered in conjunction with this management letter.

### Prior Audit Findings

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. There were no recommendations made in the preceding annual financial report.

To the Honorable Mary Carol Murdock  
Tax Collector of Jackson County, Florida  
Marianna, Florida

### **Official Title and Legal Authority**

Section 10.554(1)(i)4, 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 Jackson County, Florida, Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Jackson County, Florida, Tax Collector.

### **Financial Management**

Section 10.554(1)(i)2, 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.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the Jackson County, Florida Tax Collector and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

June 21, 2019