

Jackson County, Florida

Financial Statements

September 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

**Jackson County, Florida
FINANCIAL STATEMENTS
September 30, 2019**

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, 2019

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, 2019

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
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportional Share of Net Pension Liability Florida Retirement System (Last 7 Fiscal Years)	60
Schedule of Contributions Florida Retirement System (Last 7 Fiscal Years)	61
Schedule of Proportional Share of Net Pension Liability Health Insurance Subsidy (Last 7 Fiscal Years)	62
Schedule of Contributions Health Insurance Subsidy (Last 7 fiscal years)	63
Shedule of Changes in Net OPEB Liability and Related Ratios, Last 10 Fiscal Years	64
COMBINING FINANCIAL STATEMENTS	
Combining Balance Sheet - Nonmajor Governmental Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	72
Combining Statement of Net Position - Nonmajor Enterprise Funds	79
Combining Statement of Revenues, Expenditures and Changes in Net Position - Nonmajor Enterprise Funds	80
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	81
Combining Statement of Fiduciary Net Position - Agency Funds	82

Jackson County, Florida
Table of Contents
September 30, 2019

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>	84
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	86
Schedule of Expenditures of Federal Awards and State Financial Assistance	89
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	98
Independent Auditors' Management Letter	101
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	104
Independent Accountants' Report on Compliance with Section 365.172(10) and 365.173(2)(d), Florida Statutes	105
Management's Response	106

CONSTITUTIONAL OFFICER 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

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 Jackson County, Florida, (the "County") as of and for the year ended September 30, 2019, 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 Jackson County, Florida as of September 30, 2019, 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 Jackson County, Florida'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2020, 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.

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

Marianna, Florida
June 30, 2020



**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.

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 \$80,405,946.
- The County's total net position increased by \$5,515,552, which represents a 7.37% increase from the 2018 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balance of \$30,452,581, which is an increase of \$1,586,980 in comparison with the prior year.
- During the current year, General Fund revenues exceeded expenditures and transfers by \$1,081,299. General Fund revenue increased by \$7,384,488, or 39.69% 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, Utility Fee Fund 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 59 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, 2019 and September 30, 2018:

<i>September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 44,669,083	\$ 35,950,554	\$ 1,540,720	\$ 447,035	\$ 46,209,803	\$ 36,397,589
Non-current assets	81,233,764	69,041,776	13,241,127	12,217,128	94,474,891	81,258,904
Total assets	125,902,847	104,992,330	14,781,847	12,664,163	140,684,694	117,656,493
Deferred outflows of resources	8,398,847	9,696,184	127,902	147,659	8,526,749	9,843,843
Current liabilities	14,216,503	7,084,950	686,014	422,628	14,902,517	7,507,578
Non-current liabilities	46,936,266	38,568,499	4,090,695	3,810,782	51,026,961	42,379,281
Total liabilities	61,152,769	45,653,449	4,776,709	4,233,410	65,929,478	49,886,859
Deferred inflows of resources	2,838,894	2,682,237	37,125	40,846	2,876,019	2,723,083
Net investment in capital assets	65,490,998	57,982,305	9,540,839	8,761,453	75,031,837	66,743,758
Restricted	5,610,623	6,062,485	62,323	60,783	5,672,946	6,123,268
Unrestricted (deficit)	(791,590)	2,308,038	492,753	(284,670)	(298,837)	2,023,368
Total net position	\$ 70,310,031	\$ 66,352,828	\$ 10,095,915	\$ 8,537,566	\$ 80,405,946	\$ 74,890,394

Jackson County, Florida Management's Discussion and Analysis

The following is a summary of the County's Statement of Activities as of September 30, 2019 and September 30, 2018:

<i>as of September 30,</i>	Governmental		Business-type		Totals	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 9,443,003	\$ 9,285,254	\$ 1,322,462	\$ 1,384,145	\$ 10,765,465	\$ 10,669,399
Operating grants and contributions	9,211,424	3,979,995	-	-	9,211,424	3,979,995
Capital grants and contributions	508,052	1,774,174	1,558,363	854,708	2,066,415	2,628,882
Total program revenues	19,162,479	15,039,423	2,880,825	2,238,853	22,043,304	17,278,276
General Revenues						
Property taxes	11,850,601	12,193,084	-	-	11,850,601	12,193,084
Other taxes, intergovernmental and shared revenue	20,463,694	18,746,228	-	-	20,463,694	18,746,228
Investment earnings	377,982	36,484	9,264	16,654	387,246	53,138
Miscellaneous	13,854,282	1,087,495	57,537	11,463	13,911,819	1,098,958
Transfers	(358,844)	(379,362)	358,844	379,363	-	1
Transfers to State of FL	(173,615)	(171,545)	-	-	(173,615)	(171,545)
Total general revenues	46,014,100	31,512,384	425,645	407,480	46,439,745	31,919,864
Total revenues	65,176,579	46,551,807	3,306,470	2,646,333	68,483,049	49,198,140
Expenses						
Program activities						
Governmental activities:						
General government	13,684,802	8,584,221	-	-	13,684,802	8,584,221
Public safety	19,525,887	17,371,580	-	-	19,525,887	17,371,580
Physical environment	597,530	628,412	-	-	597,530	628,412
Transportation	21,663,412	11,224,759	-	-	21,663,412	11,224,759
Economic environment	1,318,406	1,031,072	-	-	1,318,406	1,031,072
Human services	1,960,167	1,732,174	-	-	1,960,167	1,732,174
Culture and recreation	984,499	898,309	-	-	984,499	898,309
Court related	1,225,886	1,221,013	-	-	1,225,886	1,221,013
Interest on long-term debt	258,787	232,494	-	-	258,787	232,494
Business-type activities	-	-	1,748,121	1,757,286	1,748,121	1,757,286
Total expenses	61,219,376	42,924,034	1,748,121	1,757,286	62,967,497	44,681,320
Change in net position	3,957,203	3,627,773	1,558,349	889,047	5,515,552	4,516,820
Net position – beginning	66,352,828	64,277,231	8,537,566	7,617,377	74,890,394	71,894,608
Change in accounting principle - OPEB	-	(1,658,000)	-	-	-	(1,658,000)
Prior Period Adjustment - Inventory	-	105,824	-	31,142	-	136,966
Net position, beginning as restated	66,352,828	62,725,055	8,537,566	7,648,519	74,890,394	70,373,574
Net position – ending	\$ 70,310,031	\$ 66,352,828	\$ 10,095,915	\$ 8,537,566	\$ 80,405,946	\$ 74,890,394

Jackson County, Florida Management's Discussion and Analysis

The largest portion of the County's net position (92.85%) 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 (7.06%) which represent resources that are subject to constraints such as debt covenants, grantors, laws or regulations. The remaining balance of unrestricted net deficit (\$298,837 or .38%) 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, 2019 are contained on the Statement of Activities on Page 5 of this report.

Governmental activities increased the County's net position by \$3,957,203.

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 \$5,172,189 while the total fund balance was \$9,972,165. 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 12.43% of total General Fund expenditures, while total fund balance represents 23.97% of that same amount. The fund balance increased by \$1,081,299 during the 2018-2019 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 \$401,328 which is assigned. The fund balance decreased by \$496,843 during the 2018-2019 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 \$94,495; the assigned fund balance was \$5,396,586 and committed fund balance was \$236,142. The fund balance increased by \$399,588 during the 2018-2019 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 \$6,233,146. The fund balance increased by \$1,499,864 during the 2018-2019 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 \$175,466. The fund balance decreased by \$313,486 during the 2018-2019 fiscal year.

Proprietary Funds

The County's proprietary funds reported net position of \$10,095,915 which includes \$9,262,892 from the operation of the Water/Sewer System.

Total unassigned fund balances for all governmental funds totaled \$5,109,583 at September 30, 2019, compared to total governmental fund balances of \$30,452,581 at the same date. The restricted fund balance was \$5,610,623 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 \$5,109,583 is different from the Unrestricted Net Position amount on the Statement of Net Position of (\$390,590) 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 2018-2019 fiscal year, the County amended the budget for numerous funds on November 12, 2019. The County received unanticipated revenues and determined actual cash balance forward dollars in excess of the original budget figures in the amount of \$18,186,840.

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of September 30, 2019 amounted to \$94,474,891 (net of accumulated depreciation). 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, 2019, the County had a long-term debt amounting to \$50,830,295. Of this amount, notes payable, capital lease and revenue bond outstanding was \$20,050,015, with \$1,273,512 to meet compensated absences obligations, with \$26,027,105 to meet net pension liability and the remainder for other liabilities, landfill closure and post-closure costs and other post-employment benefit obligation.

ECONOMIC FACTORS – JACKSON COUNTY, FLORIDA

- The unemployment rate for the County was 3.0% percent at September 30, 2019, a decrease of .6% from the prior year.
- Population increased to approximately 46,969.
- The taxable value for personal and real property in the County at September 30, 2019 is \$1,511,643,453, a decrease of 2.84% from the previous year.
- The general ad valorem tax millage rate was 7.8484 for the year ended September 30, 2019.
- The budget for the next fiscal year ending September 30, 2019 represents a 7% increase over the 2018-2019 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.



BASIC FINANCIAL STATEMENTS

Jackson County, Florida Statement of Net Position

September 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 21,035,407	\$ 718,800	\$ 21,754,207
Restricted cash and cash equivalents	6,304,199	68,183	6,372,382
Investments	1,609,882	-	1,609,882
Equity in pooled investments	915,208	48,676	963,884
Accounts receivable	2,441,518	207,579	2,649,097
Inventory	94,495	35,641	130,136
Internal balances	243,122	(243,122)	-
Due from other governmental units	11,919,366	704,963	12,624,329
Due from agency funds	105,886	-	105,886
Capital assets, net			
Nondepreciable capital assets	10,983,154	3,231,901	14,215,055
Depreciable capital assets, net	70,250,610	10,009,226	80,259,836
Total assets	125,902,847	14,781,847	140,684,694
Deferred outflows of resources			
Pension	8,398,847	127,902	8,526,749
Total deferred outflows of resources	8,398,847	127,902	8,526,749
Liabilities			
Accounts payable and accrued expenses	7,646,809	627,978	8,274,787
Accrued interest payable	-	7,659	7,659
Due to other governmental units	787,374	-	787,374
Unearned revenue	5,782,320	-	5,782,320
Liabilities payable from restricted assets	-	50,377	50,377
Long-term liabilities			
Portion due or payable within one year			
Notes payable	303,000	-	303,000
Capital lease	157,705	-	157,705
Bonds payable	943,000	167,510	1,110,510
Compensated absences	318,378	-	318,378
Other liabilities	76,666	-	76,666
Landfill closure liability	50,000	-	50,000
Portion due or payable after one year			
Notes payable	7,553,906	404,767	7,958,673
Capital lease	2,348,116	-	2,348,116
Bonds payable	5,044,000	3,128,011	8,172,011
Compensated absences	955,134	-	955,134
Other post employment benefit obligation	3,105,000	-	3,105,000
Net pension liability	25,636,698	390,407	26,027,105
Other liabilities	120,000	-	120,000
Landfill closure liability	324,663	-	324,663
Total liabilities	61,152,769	4,776,709	65,929,478
Deferred inflows of resources			
Pension	2,437,894	37,125	2,475,019
Other post employment benefit obligation	401,000	-	401,000
Total deferred inflows of resources	2,838,894	37,125	2,876,019
Net position			
Net investment in capital assets	65,490,998	9,540,839	75,031,837
Restricted	5,610,623	62,323	5,672,946
Unrestricted (deficit)	(791,590)	492,753	(298,837)
Total net position	\$ 70,310,031	\$ 10,095,915	\$ 80,405,946

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

Jackson County, Florida Statement of Activities

For the year ended September 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government							
Governmental activities							
General government	\$ 13,684,802	\$ 8,968,074	\$ 7,619,987	\$ -	\$ 2,903,259	\$ -	\$ 2,903,259
Public safety	19,525,887	412,624	188,465	386,143	(18,538,655)	-	(18,538,655)
Physical environment	597,530	-	94,507	-	(503,023)	-	(503,023)
Transportation	21,663,412	-	1,049,386	121,909	(20,492,117)	-	(20,492,117)
Economic environment	1,318,406	-	159,076	-	(1,159,330)	-	(1,159,330)
Human services	1,960,167	-	4,278	-	(1,955,889)	-	(1,955,889)
Culture and recreation	984,499	-	95,725	-	(888,774)	-	(888,774)
Court related	1,225,886	62,305	-	-	(1,163,581)	-	(1,163,581)
Interest on long-term debt	258,787	-	-	-	(258,787)	-	(258,787)
Total governmental activities	61,219,376	9,443,003	9,211,424	508,052	(42,056,897)	-	(42,056,897)
Business-type activities							
Water and sewer	1,077,556	1,219,002	-	1,482,963	-	1,624,409	1,624,409
Parks and recreation	419,792	78,717	-	75,400	-	(265,675)	(265,675)
Recycling	155,590	24,743	-	-	-	(130,847)	(130,847)
Interest on long-term debt	95,187	-	-	-	-	(95,187)	(95,187)
Total business-type activities	1,748,125	1,322,462	-	1,558,363	-	1,132,700	1,132,700
Total primary government	\$ 62,967,501	\$ 10,765,465	\$ 9,211,424	\$ 2,066,415	(42,056,897)	1,132,700	(40,924,197)
General revenues							
Taxes							
Property taxes					11,850,601	-	11,850,601
Local option taxes					7,994,092	-	7,994,092
Sales tax and other taxes					2,746,285	-	2,746,285
Intergovernmental and shared revenue					9,723,317	-	9,723,317
Investment earnings					377,982	9,263	387,245
Gain/loss on disposition of assets					2,389,999	57,415	2,447,414
Miscellaneous					11,464,283	127	11,464,410
Transfer to State of Florida					(173,615)	-	(173,615)
Transfers					(358,844)	358,844	-
Total general revenues					46,014,100	425,649	46,439,749
Change in net position					3,957,203	1,558,349	5,515,552
Net position, beginning					66,352,828	8,537,566	74,890,394
Net position, ending					70,310,031	10,095,915	80,405,946

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

Jackson County, Florida
Balance Sheet
Governmental Funds

September 30, 2019

	General Fund	Fines and Forfeitures	Transportation Trust	Road Construction	Utility Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 8,955,221	\$ 452,515	\$ 5,947,937	\$ 596,889	\$ 3,136,177	\$ 1,946,668	\$ 21,035,407
Investments	-	-	-	-	-	1,609,882	1,609,882
Equity in pooled investments	369,226	92,121	230,220	15,584	-	208,057	915,208
Restricted cash and cash equivalents	122,826	-	-	-	-	6,181,373	6,304,199
Accounts receivable	1,848,372	-	-	-	291,491	301,655	2,441,518
Inventory	-	-	94,495	-	-	-	94,495
Due from other funds	4,096,386	171,800	2,178,925	4,727,635	-	2,462,588	13,637,334
Due from agency funds	79,041	2,377	-	-	-	24,468	105,886
Due from other governmental units	6,154,102	205,549	3,470,414	1,408,521	-	680,780	11,919,366
Total assets	\$ 21,625,174	\$ 924,362	\$ 11,921,991	\$ 6,748,629	\$ 3,427,668	\$ 13,415,471	\$ 58,063,295
Liabilities							
Accounts payable and accrued expenses	\$ 5,954,751	\$ 292,933	\$ 337,262	\$ 481,806	\$ -	\$ 580,057	\$ 7,646,809
Due to other funds	5,007,765	230,101	2,392,382	33,677	3,252,202	2,478,084	13,394,211
Due to other governmental units	653,767	-	-	-	-	133,607	787,374
Unearned revenue	36,726	-	3,559,618	-	-	2,185,976	5,782,320
Total liabilities	11,653,009	523,034	6,289,262	515,483	3,252,202	5,377,724	27,610,714
Fund balances							
Nonspendable	-	-	94,495	-	-	-	94,495
Restricted	122,826	-	-	-	-	5,487,797	5,610,623
Committed	605,064	-	236,142	6,233,146	-	1,321,707	8,396,059
Assigned	4,072,086	401,328	5,396,586	-	175,466	1,196,355	11,241,821
Unassigned	5,172,189	-	(94,494)	-	-	31,888	5,109,583
Total fund balances	9,972,165	401,328	5,632,729	6,233,146	175,466	8,037,747	30,452,581
Total liabilities and fund balances	\$ 21,625,174	\$ 924,362	\$ 11,921,991	\$ 6,748,629	\$ 3,427,668	\$ 13,415,471	\$ 58,063,295

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, 2019

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

Total fund balances – governmental funds	\$ 30,452,581
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	81,233,764
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	(46,936,267)
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	8,398,847
Deferred inflows of resources - pensions and OPEB	(2,838,894)
Net position of governmental activities	\$ 70,310,031

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, 2019

	General Fund	Fines and Forfeitures	Transportation Trust	Road Construction	Utility Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 2,234,587	\$ 9,301,433	\$ 4,347,491	\$ 577,023	\$ 2,746,285	\$ 3,384,159	\$ 22,590,978
Licenses and permits	2,902,171	-	-	-	-	-	2,902,171
Intergovernmental	7,043,377	152,822	49,498	2,348,246	-	129,374	9,723,317
Charges for services	5,410,789	160,543	-	-	-	687,586	6,258,918
Fines and forfeitures	190,395	28,561	-	-	-	62,958	281,914
Grants	7,598,192	9,165	(79,257)	1,250,552	-	940,824	9,719,476
Investment earnings	120,046	2,293	5,954	388	192,432	56,797	377,910
Other fees and miscellaneous revenues	490,463	61,125	12,945	-	-	171,939	736,472
Total revenues	25,990,020	9,715,942	4,336,631	4,176,209	2,938,717	5,433,637	52,591,156
Expenditures							
Current:							
General government	12,368,031	-	-	-	-	59,612	12,427,643
Public health and safety	10,980,666	5,118,692	-	-	-	684,689	16,784,047
Physical environment	476,110	-	-	-	-	94,508	570,618
Transportation	11,606,560	-	5,399,975	1,212,450	-	382,349	18,601,334
Economic environment	744,207	-	-	-	-	544,762	1,288,969
Human services	1,462,290	-	-	-	-	43,368	1,505,658
Culture/recreation	587,010	-	-	-	-	224,796	811,806
Court related	977,086	-	-	-	-	163,384	1,140,470
Capital outlay	2,084,230	88,075	297,284	1,960,740	-	1,728,298	6,158,627
Debt service:							
Principal	199,677	-	-	-	-	922,000	1,121,677
Interest and other charges	113,674	-	-	-	-	145,113	258,787
Total expenditures	41,599,541	5,206,767	5,697,259	3,173,190	-	4,992,879	60,669,636
Excess (deficiency) of revenues over (under) expenditures	(15,609,521)	4,509,175	(1,360,628)	1,003,019	2,938,717	440,758	(8,078,480)
Other financing sources (uses)							
Transfers in	8,657,341	399,119	3,324,489	1,564,273	-	1,785,311	15,730,533
Transfers out	(1,990,825)	(5,405,137)	(1,564,273)	(1,067,428)	(3,252,203)	(2,809,511)	(16,089,377)
Transfer to State of Florida	(173,614)	-	-	-	-	-	(173,614)
Insurance proceeds	2,502,012	-	-	-	-	-	2,502,012
Loan proceeds	7,695,906	-	-	-	-	-	7,695,906
Net other financing sources (uses)	16,690,820	(5,006,018)	1,760,216	496,845	(3,252,203)	(1,024,200)	9,665,460
Net changes in fund balances	1,081,299	(496,843)	399,588	1,499,864	(313,486)	(583,442)	1,586,980
Fund balances - beginning	8,890,866	898,171	5,233,141	4,733,282	488,952	8,621,189	28,865,601
Fund balances - ending	\$ 9,972,165	\$ 401,328	\$ 5,632,729	\$ 6,233,146	\$ 175,466	\$ 8,037,747	\$ 30,452,581

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, 2019

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

Net change in fund balances - total governmental funds	\$ 1,586,980
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	6,158,627
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(4,659,102)
The net effect of transactions involving capital assets (i.e. sales, transfers and donations) included in the governmental activities in the statement of activities.	10,615,794
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	1,121,677
Worker's compensation liability	75,000
The issuance of long-term debt (notes payable) provides current financial resources to governmental funds, while it has no effect on the statement of activities.	(7,695,906)
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	(70,000)
Landfill expenses	11,337
Compensated absences	183,827
Pension expenses	(3,371,031)
Change in net position	\$ 3,957,203

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, 2019

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues				
Taxes	\$ 2,705,309	\$ 2,705,309	\$ 2,234,587	\$ (470,722)
Licenses and permits	1,736,000	2,868,000	2,902,171	34,171
Intergovernmental	6,558,912	7,024,022	7,043,377	19,355
Charges for services	5,195,594	5,359,887	5,410,789	50,902
Fines and forfeitures	299,750	261,697	190,395	(71,302)
Grants	306,416	4,754,276	7,598,192	2,843,916
Investment earnings	5,225	120,225	120,046	(179)
Other fees and miscellaneous revenues	263,786	2,333,786	490,463	(1,843,323)
Total revenues	17,070,992	25,427,202	25,990,020	562,818
Expenditures				
Current:				
General government	9,842,160	9,941,169	12,368,031	(2,426,862)
Public health and safety	10,138,400	10,730,637	10,980,666	(250,029)
Physical environment	424,694	424,694	476,110	(51,416)
Transportation	215,210	16,690,210	11,606,560	5,083,650
Economic environment	418,359	718,359	744,207	(25,848)
Human services	1,547,630	1,660,807	1,462,290	198,517
Culture and recreation	509,029	519,029	587,010	(67,981)
Court related	1,146,565	1,150,278	977,086	173,192
Capital outlay	2,462,500	3,308,320	2,084,230	1,224,090
Debt service	262,944	314,944	313,351	1,593
Total expenditures	26,967,491	45,458,447	41,599,541	3,858,906
Excess (deficiency) of revenues over (under) expenditures	(9,896,499)	(20,031,245)	(15,609,521)	4,421,724
Other financing sources (uses)				
Transfers in	10,521,325	11,094,231	8,657,341	(2,436,890)
Transfers out	(6,338,632)	(6,375,632)	(1,990,825)	4,384,807
Loan proceeds	-	8,000,000	7,695,906	(304,094)
Insurance proceeds	-	-	2,502,012	2,502,012
Transfer to State of Florida	-	-	(173,614)	(173,614)
Net other financing sources (uses)	4,182,693	12,718,599	16,690,820	3,972,221
Net change in fund balance	(5,713,806)	(7,312,646)	1,081,299	8,393,945
Fund balance - beginning	8,890,866	8,890,866	8,890,866	-
Fund balance - ending	\$ 3,177,060	\$ 1,578,220	\$ 9,972,165	\$ 8,393,945

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, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 9,089,037	\$ 9,174,037	\$ 9,301,433	\$ 127,396
Intergovernmental	191,028	191,028	152,822	(38,206)
Charges for services	295,588	195,588	160,543	(35,045)
Fines and forfeitures	47,500	47,500	28,561	(18,939)
Grants	30,000	30,000	9,165	(20,835)
Investment earnings	1,000	1,000	2,293	1,293
Other fees and miscellaneous revenues	105,711	105,711	61,125	(44,586)
Total revenues	9,759,864	9,744,864	9,715,942	(28,922)
Expenditures				
Current:				
Public health and safety	5,058,074	5,362,232	5,118,692	243,540
Capital outlay	87,487	87,487	88,075	(588)
Total expenditures	5,145,561	5,449,719	5,206,767	242,952
Excess (deficiency) of revenues over (under) expenditures	4,614,303	4,295,145	4,509,175	214,030
Other financing sources (uses)				
Transfers in	225,500	325,500	399,119	73,619
Transfers out	(5,216,354)	(5,376,983)	(5,405,137)	(28,154)
Net other financing sources (uses)	(4,990,854)	(5,051,483)	(5,006,018)	45,465
Net change in fund balance	(376,551)	(756,338)	(496,843)	259,495
Fund balance - beginning	898,171	898,171	898,171	-
Fund balance - ending	\$ 521,620	\$ 141,833	\$ 401,328	\$ 259,495

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, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 3,941,868	\$ 4,341,868	\$ 4,347,491	\$ 5,623
Intergovernmental	49,320	49,320	49,498	178
Grants	4,000,000	4,000,000	(79,257)	(4,079,257)
Investment earnings	2,500	2,500	5,954	3,454
Other fees and miscellaneous revenues	5,000	5,000	12,945	7,945
Total revenues	7,998,688	8,398,688	4,336,631	(4,062,057)
Expenditures				
Current:				
Transportation	11,058,624	11,058,624	5,399,975	5,658,649
Capital outlay	1,085,680	1,129,680	297,284	832,396
Total expenditures	12,144,304	12,188,304	5,697,259	6,491,045
Excess (deficiency) of revenues over (under) expenditures	(4,145,616)	(3,789,616)	(1,360,628)	2,428,988
Other financing sources (uses)				
Transfers in	4,892,763	4,936,763	3,324,489	(1,612,274)
Transfers out	(1,192,147)	(1,592,147)	(1,564,273)	27,874
Net other financing sources (uses)	3,700,616	3,344,616	1,760,216	(1,584,400)
Net change in fund balance	(445,000)	(445,000)	399,588	844,588
Fund balance - beginning	5,233,141	5,233,141	5,233,141	-
Fund balance - ending	\$ 4,788,141	\$ 4,788,141	\$ 5,632,729	\$ 844,588

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, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 558,589	\$ 583,589	\$ 577,023	\$ (6,566)
Intergovernmental	2,328,656	2,328,656	2,348,246	19,590
Grants	-	1,286,000	1,250,552	(35,448)
Investment earnings	200	200	388	188
Total revenues	2,887,445	4,198,445	4,176,209	(22,236)
Expenditures				
Current:				
Transportation	137,524	1,247,524	1,212,450	35,074
Capital outlay	2,874,954	8,210,954	1,960,740	6,250,214
Total expenditures	3,012,478	9,458,478	3,173,190	6,285,288
Excess (deficiency) of revenues over (under) expenditures	(125,033)	(5,260,033)	1,003,019	6,263,052
Other financing sources (uses)				
Transfers in	1,192,147	1,592,147	1,564,273	(27,874)
Transfers out	(1,067,114)	(1,067,114)	(1,067,428)	(314)
Net other financing sources (uses)	125,033	525,033	496,845	(28,188)
Net change in fund balance	-	(4,735,000)	1,499,864	6,234,864
Fund balance - beginning	4,733,282	4,733,282	4,733,282	-
Fund balance - ending	\$ 4,733,282	\$ (1,718)	\$ 6,233,146	\$ 6,234,864

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, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 2,700,000	\$ 2,745,000	\$ 2,746,285	\$ 1,285
Investment earnings	325	193,325	192,432	(893)
Total revenues	2,700,325	2,938,325	2,938,717	392
Excess (deficiency) of revenues over (under) expenditures	2,700,325	2,938,325	2,938,717	392
Other financing sources (uses)				
Transfers out	(3,015,325)	(3,252,325)	(3,252,203)	122
Net other financing sources (uses)	(3,015,325)	(3,252,325)	(3,252,203)	122
Net change in fund balance	(315,000)	(314,000)	(313,486)	514
Fund balance - beginning	488,952	488,952	488,952	-
Fund balance - ending	\$ 173,952	\$ 174,952	\$ 175,466	\$ 514

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, 2019

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 665,862	\$ 52,938	\$ 718,800
Accounts receivable, net	130,531	77,048	207,579
Inventory	35,641	-	35,641
Due from other funds	137	164,026	164,163
Due from other governments	704,963	-	704,963
Total current assets	1,537,134	294,012	1,831,146
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	68,183	-	68,183
Equity in pooled investments	48,676	-	48,676
Capital assets			
Nondepreciable	3,190,260	41,641	3,231,901
Depreciable, net	9,262,443	746,783	10,009,226
Total noncurrent assets	12,569,562	788,424	13,357,986
Total assets	14,106,696	1,082,436	15,189,132
Deferred outflows of resources			
Pension	73,331	54,571	127,902
Total deferred outflows of resources	73,331	54,571	127,902

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, 2019

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 533,213	\$ 94,764	\$ 627,977
Accrued interest payable	7,659	-	7,659
Due to other funds	383,978	23,308	407,286
Liabilities payable from restricted assets	46,877	3,500	50,377
Bonds payable - current	167,510	-	167,510
Total current liabilities	1,139,237	121,572	1,260,809
Noncurrent liabilities			
Revenue bonds payable	3,128,011	-	3,128,011
Notes payable	404,767	-	404,767
Net pension liability	223,835	166,572	390,407
Total noncurrent liabilities	3,756,613	166,572	3,923,185
Total liabilities	4,895,850	288,144	5,183,994
Deferred Inflows of resources			
Pensions	21,285	15,840	37,125
Total deferred inflows of resources	21,285	15,840	37,125
Net position			
Net investment in capital assets	8,752,415	788,424	9,540,839
Restricted for			
Debt service	62,323	-	62,323
Unrestricted (deficit)	448,154	44,599	492,753
Total net position	\$ 9,262,892	\$ 833,023	\$ 10,095,915

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, 2019

	BUSINESS -TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Operating revenues			
Charges for services	\$ 1,219,002	\$ 103,459	\$ 1,322,461
Total operating revenues	1,219,002	103,459	1,322,461
Operating expenses			
Personnel services	199,384	350,384	549,768
Utilities	154,891	16,562	171,453
Services and supplies	357,597	81,402	438,999
Repairs and maintenance	85,185	32,862	118,047
Other operating expenses	-	3,127	3,127
Depreciation	280,498	91,045	371,543
Total operating expenses	1,077,555	575,382	1,652,937
Net operating income (loss)	141,447	(471,923)	(330,476)
Nonoperating revenues (expenses)			
Interest income	9,261	2	9,263
Interest expense	(95,187)	-	(95,187)
Gain on sale of assets	-	57,415	57,415
Miscellaneous revenue	-	127	127
Total nonoperating revenues (expenses)	(85,926)	57,544	(28,382)
Income (loss) before contributions and transfers	55,521	(414,379)	(358,858)
Capital contributions	1,482,963	75,400	1,558,363
Transfers, net	-	358,844	358,844
Change in net position	1,538,484	19,865	1,558,349
Total net position - beginning	7,724,408	813,158	8,537,566
Total net position - ending	\$ 9,262,892	\$ 833,023	\$ 10,095,915

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, 2019

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Operating activities			
Receipts from customers and users	\$ 1,328,427	\$ 34,558	\$ 1,362,985
Payments to suppliers	(396,563)	(61,294)	(457,857)
Payments to employees	(169,949)	(328,480)	(498,429)
Net cash provided (used) by operating activities	761,915	(355,216)	406,699
Noncapital financing activities			
Transfers to/from other funds	-	358,846	358,846
Advance from/to other funds	(812,159)	(58,539)	(870,698)
Net cash provided (used) by noncapital financing activities	(812,159)	300,307	(511,852)
Capital and related financing activities			
Proceeds from capital debt	404,767	-	404,767
Capital contributions	1,482,963	75,400	1,558,363
Purchase of capital assets	(1,339,954)	(75,400)	(1,415,354)
Proceeds from sale of fixed assets	-	77,226	77,226
Principal payments on capital debt	(160,154)	-	(160,154)
Interest payments on capital debt	(95,515)	-	(95,515)
Other receipts	-	126	126
Net cash (used) provided by capital and related financing activities	292,107	77,352	369,459
Investing activities			
Purchase of investments	(1,212)	-	(1,212)
Interest and dividends	9,261	2	9,263
Net cash provided by investing activities	8,049	2	8,051
Net increase (decrease) in cash and cash equivalents	249,912	22,445	272,357
Cash and cash equivalents - beginning of the year	484,133	30,493	514,626
Cash and cash equivalents - ending of the year	\$ 734,045	\$ 52,938	\$ 786,983
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash and cash equivalents	\$ 665,862	\$ 52,938	\$ 718,800
Restricted cash and cash equivalents	68,183	-	68,183
Total cash and cash equivalents	\$ 734,045	\$ 52,938	\$ 786,983

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, 2019

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Reconciliation of net operating income to net cash (used) provided by operating activities			
Net operating income (loss)	\$ 141,447	\$ (471,923)	\$ (330,476)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	280,498	91,045	371,543
(Increase) decrease in accounts receivable	(22,812)	(64,091)	(86,903)
(Increase) decrease in due from other governments	141,985	-	141,985
(Increase) decrease in inventory	(4,499)	-	(4,499)
(Increase) decrease in deposits	(9,748)	(4,810)	(14,558)
Increase (decrease) in accounts payable	235,044	94,563	329,607
		-	
Net cash provided (used) by operating activities	\$ 761,915	\$ (355,216)	\$ 406,699

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

Jackson County, Florida
Statement of Fiduciary Net Position
Agency Funds

September 30, 2019

	Agency Funds
Assets	
Cash and cash equivalents	\$ 1,249,408
Total assets	\$ 1,249,408
Liabilities	
Due to others	\$ 790,371
Due to the Board	105,886
Due to other governments	353,151
Total liabilities	\$ 1,249,408

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, 2019.

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.

Jackson County, Florida Notes to Financial Statements

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:

Property Appraiser	Total Expenditures	Total Revenue
GAAP basis	\$ 1,060,057	\$ 8,389
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	-	(8,389)
Budgetary basis	\$ 1,060,057	\$ -

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.

Jackson County, Florida Notes to Financial Statements

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, 2019 was \$1,273,512.

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, 2019, 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, June 30, 2020, and determined there were no events that occurred that required disclosure.

Deferred Outflows of Resources

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

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the County adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83")
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related

Jackson County, Florida
Notes to Financial Statements

to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the County's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the County's financial statements.

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.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
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>	2022

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 2019 millage rate assessed by the County was 7.8484 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.

Jackson County, Florida Notes to Financial Statements

NOTE 2 - PROPERTY TAXES (CONTINUED)

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 \$29,375,997 and the bank balance was \$32,795,622. 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, 2019, the net realizable value and the carrying value of these funds was \$963,884. The funds are carried as equity in pooled investments on the balance sheet at September 30, 2019.

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.

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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. 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.

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, 2019, the County's investment in the PRIME Fund is 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, 2019, is 28 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, 2019, is 80 days.

Custodial Credit Risk

At September 30, 2019, 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, 2019, the County did not hold any investments that were considered to have a concentration of credit risk.

Foreign Currency Risk

At September 30, 2019, 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, 2019, the County's investments consisted of non-negotiable certificates of deposits which are recorded at cost and are excluded from fair value measurement.

Jackson County, Florida
Notes to Financial Statements

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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.

NOTE 4 - RESTRICTED ASSETS

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

	Amount
Vessel Fees	\$ 122,826
Total	\$ 122,826

The Transportation Trust Fund's equity in pooled investments is restricted for the sick leave buyback program in the amount of \$230,220.

The Nonmajor Governmental funds' cash is restricted for other programs in the amount of \$6,181,373.

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	46,877
Investment extension and improvements	48,676
Total	\$ 116,859

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 \$2,382,385 and are shown net of the allowance for doubtful accounts and contractual adjustments of \$1,859,465. 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 \$511,701 from franchise fees and royalties related to private landfills, \$646,305 related to insurance reimbursements receivable and reimbursement from the Counties health reimbursement account totaling \$71,475 and \$33,962 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, 2019 are as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund		
General fund	Utility Fee fund	\$ 3,252,202	
	Fines and Forfeitures	230,101	
	Nonmajor governmental funds:		
	Other special revenue funds	212,116	
	Proprietary funds:		
	Parks and Recreation	17,989	
	Jackson County Utilities	383,978	
	Agency funds	79,041	
	Transportation Trust	Nonmajor governmental funds:	
		Other special revenue funds	2,178,925
	Fine and Forfeitures	General fund	169,732
Nonmajor governmental funds:			
Other special revenue funds		2,068	
Agency funds		2,377	
Road Construction	General fund	2,335,389	
	Transportation Trust	2,392,246	
Jackson Recycling	General fund	86,300	
Parks and Recreation	General fund	77,726	
Jackson County Utilities	Transportation Trust	137	
Nonmajor governmental funds	General fund	2,338,068	
	Road Construction	33,677	
	Nonmajor governmental funds:		
	Other special revenue funds	90,843	
	Agency Funds	24,468	
Total		\$ 13,907,383	

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, 2019, consisted of the following:

Transfers to General Fund from:		
Fines and Forfeitures	\$ 5,405,138	
Utility Fee Fund	3,252,203	
<hr/>		
Total		\$ 8,657,341
Transfers to Fines and Forfeiture from:		
General Fund	169,732	
Nonmajor Governmental fund	229,387	
<hr/>		
Total		399,119
Transfers to Transportation Trust from:		
General Fund	886,173	
Nonmajor Governmental fund	2,438,316	
<hr/>		
Total		3,324,489
Transfers to Road Construction from:		
Transportation Trust		1,564,273
Transfers to Nonmajor Governmental Funds from:		
General fund	576,074	
Road Construction	1,067,428	
Nonmajor Governmental funds	141,809	
<hr/>		
Total		1,785,311
Subtotal		15,730,533
Transfers to Proprietary funds from:		
General fund		358,844
<hr/>		
Total interfund transfers		<u>\$ 16,089,377</u>

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 praving 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, 2019, but not yet received by the County. The majority of these amounts were received in October and November 2019.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,814,417	\$ 4,795,000	\$ -	\$ 7,609,417
Construction in progress	3,689,838	4,173,111	4,489,212	3,373,737
Total capital assets, not being depreciated	6,504,255	8,968,111	4,489,212	10,983,154
Capital assets, being depreciated:				
Buildings and improvements	39,795,629	6,773,655	283,292	46,285,992
Equipment	22,551,848	2,388,828	1,060,811	23,879,865
Roads	54,561,682	3,129,370	-	57,691,052
Infrastructure - Sidewalks	1,476,196	536,578	-	2,012,774
Total capital assets, being depreciated	118,385,355	12,828,431	1,344,103	129,869,683
Less: Total accumulated depreciation	55,847,834	4,659,102	887,863	59,619,073
Total capital assets, being depreciated, net	62,537,521	8,169,329	456,240	70,250,610
Governmental activities capital assets, net	\$ 69,041,776	\$ 17,137,440	\$ 4,945,452	\$ 81,233,764

Jackson County, Florida
Notes to Financial Statements

NOTE 8 - CAPITAL ASSETS (CONTINUED)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 46,641	\$ -	\$ -	\$ 46,641
Construction in progress	1,886,306	1,298,954	-	3,185,260
Total capital assets, not being depreciated	1,932,947	1,298,954	-	3,231,901
Capital assets, being depreciated:				
Equipment	15,722,191	116,400	48,953	15,789,638
Total capital assets, being depreciated	15,722,191	116,400	48,953	15,789,638
Less: Total accumulated depreciation	5,438,010	371,542	29,140	5,780,412
Total capital assets, being depreciated, net	10,284,181	(255,142)	19,813	10,009,226
Business-type activities capital assets, net	\$ 12,217,128	\$ 1,043,812	\$ 19,813	\$ 13,241,127

Depreciation expense for the year ended September 30, 2019 was charged to functions as follows:

Governmental activities	
General government	\$ 362,189
Public safety	836,949
Transportation	2,803,884
Economic environment	617
Culture and recreation	438,647
Human services	131,400
Court related	85,416
Total depreciation expense-governmental activities	\$ 4,659,102

Jackson County, Florida
Notes to Financial Statements

NOTE 8 - CAPITAL ASSETS (CONTINUED)

Business-type activities	
Water and sewer	\$ 280,498
Recycling	20,998
Parks and recreation	70,046
<hr/>	
Total depreciation expense-business-type activities	\$ 371,542

NOTE 9 - LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2019, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Revenue bonds from direct placement	\$ 6,909,000	\$ -	\$ 922,000	\$ 5,987,000	\$ 943,000
Notes payable from direct borrowings	212,000	7,695,906	51,000	7,856,906	303,000
Capital leases	2,654,498	-	148,677	2,505,821	157,705
Compensated absences	1,457,339	687,341	871,168	1,273,512	318,378
Other post-employment benefit obligations	3,436,000	-	331,000	3,105,000	-
Net pension liability	23,673,769	1,962,929	-	25,636,698	-
Landfill closure and post-closure costs	386,000	-	11,337	374,663	50,000
<hr/>					
Total governmental activities:	38,728,606	10,346,176	2,335,182	46,739,600	1,772,083
<hr/>					
Business-type activities:					
Revenue bonds from direct placement	3,455,675	-	160,154	3,295,521	167,510
Net pension liability	335,107	55,300	-	390,407	-
Notes payable from direct placement	-	404,767	-	404,767	-
<hr/>					
Total Business-type activities:	3,790,782	460,067	160,154	4,090,695	167,510
<hr/>					
Total	\$ 42,519,388	\$ 10,806,243	\$ 2,495,336	\$ 50,830,295	\$ 1,939,593

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.

The County's outstanding notes from direct borrowings and direct placements related to governmental activities of \$2,161,000 contain provisions that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

The County's outstanding notes from direct borrowings and direct placements related to business-type activities of \$404,767 contain provisions that if the County meets any conditions of default, the repayment schedule may be accelerated and or the interest rate increased.

The County also has a line of credit in the amount of \$14,354,094.

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Debt service requirements on long-term debt at September 30, 2019 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES			
	REVENUE BONDS FROM DIRECT PLACEMENT		NOTES PAYABLE FROM DIRECT BORROWINGS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2020	\$ 943,000	\$ 129,432	\$ 303,000	\$ 33,944
2021	964,000	108,101	303,000	28,963
2022	986,000	86,288	6,000,906	23,961
2023	1,008,000	63,979	250,000	19,500
2024	1,032,000	35,164	1,000,000	15,600
2025	1,054,000	17,821	-	-
Total	\$ 5,987,000	\$ 440,785	\$ 7,856,906	\$ 121,968

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES	
	CAPITAL LEASE	
	PRINCIPAL	INTEREST
2020	\$ 157,705	\$ 57,133
2021	167,107	53,537
2022	176,900	49,727
2023	187,093	45,694
2024	187,760	41,428
2025-2029	1,102,733	138,039
2030-2032	526,523	18,159
Total	\$ 2,505,821	\$ 403,717

FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES			
	NOTES PAYABLE FROM DIRECT BORROWING		REVENUE BONDS FROM DIRECT PLACEMENT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2020	\$ -	\$ 1,578	\$ 167,510	\$ 89,683
2021	23,866	3,018	170,689	85,071
2022	24,052	2,831	175,429	80,330
2023	24,240	2,644	180,301	75,458
2024	24,430	2,454	185,309	70,451
2025-2029	125,042	9,377	1,006,662	272,134
2030-2034	130,006	2,311	1,154,437	124,360
2035-2036	53,131	270	255,184	5,283
Total	\$ 404,767	\$ 24,483	\$ 3,295,521	\$ 802,770

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Governmental Activities

Revenue Bonds from Direct Placement

\$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 \$2,983,498 and the debt service requirements totaled \$1,072,300 for the year ended September 30, 2019.

\$ 5,987,000

Total revenue bonds from direct placement

\$ 5,987,000

Notes Payable from Direct Borrowings

\$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.

\$ 161,000

\$2,000,000, Florida Local Government Finance Commission and JP Morgan Chase Bank, N.A. - Pool commercial loan paper program with interest payable monthly at a variable rate described more fully below and principal payable at \$250,000 annually from December 2019-2022 with a final payment of \$1,000,000 in Demember 2023. The interest rate is the greater of the bank's price rate or a calculation based on federal funds rate, this rate was 1.53% at September 30, 2019. Collateralized by pledged non-ad valorem revenues. The purpose of the debt was to finance cost of repairs to several properties as a result of hurricane damages.

2,000,000

\$20,050,000, Regions Capital Advantage, Inc. Series 2019 - Revolving line of credit used to fund Hurricane Michael related response and recovery expenses and collateralized by Half-Cent Sales tax revenues which totaled \$2,396,876 for the year ended September 30, 2019. The maturity date is March 2, 2022 with interest payable semi-annually in March and September at a variable rate equal to 79% of 30 day LIBOR plus 60 basis points determined monthly. Unused amount totals \$14,354,094.

5,695,906

Total notes payable from direct borrowings

\$ 7,856,906

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, 2019.

\$ 2,505,821

Total capital leases

\$ 2,505,821

Jackson County, Florida
Notes to Financial Statements

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Business-Type Activities

Revenue Bonds from Direct Placement

\$4,250,000, 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 \$1,217,998 and the debt service requirements totaled \$255,341 for the year ended September 30, 2019. \$ 3,295,521

Notes Payable from Direct Borrowings

\$699,004, State of Florida - State Revolving Fund, June 2018, payable in 60 semi-annual installments of \$13,442 beginning December 2020 through December 2050, interest at 0.78%, collateralized by gross annual revenues from the operations of the water and sewer system. 404,767

Total Business-Type Activities \$ 3,700,288

Total interest expense for the year ended September 30, 2019 was \$95,187 for the business-type activities and \$258,787 for the governmental activities. Interest paid during the year ended September 30, 2019 was \$310,379.

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:

NOTE 10 - RISK MANAGEMENT (CONTINUED)

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).

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.

Jackson County, Florida
Notes to Financial Statements

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

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.

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, 2019, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	6.54%	1.66%
Senior Management Service Class	22.34%	1.66%
Elected county officials' class	46.98%	1.66%
Special Risk	22.78%	1.66%
DROP	12.37%	1.66%
Reemployed retirees	5.22%	5.16%

The employer's contributions for the year ended September 30, 2019, were \$1,931,871 to the FRS and \$226,826 to the HIS.

Jackson County, Florida
Notes to Financial Statements

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

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2019, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2019, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2019. 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, 2019	\$ 21,456,603	\$ 4,570,502
Proportion at:		
Current measurement date	0.0623039	0.0408482
Prior measurement date	0.0638660	0.0419200
Pension expense (benefit)	\$ 5,263,185	\$ 318,830

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,272,653	\$ (13,316)	\$ 55,514	\$ (5,596)
Changes of assumptions	5,510,976	-	529,221	(373,557)
Net difference between projected and actual earnings on pension plan investments	-	(1,187,091)	2,949	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	520,692	(674,130)	69,759	(221,329)
County contributions subsequent to the measurement date	507,309	-	57,676	-
Total	\$ 7,811,630	\$ (1,874,537)	\$ 715,119	\$ (600,482)

Jackson County, Florida
Notes to Financial Statements

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

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, 2019. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<i>Fiscal Year Ending June 30,</i>	FRS	HIS
2020	\$ 2,023,675	\$ 57,956
2021	621,967	40,506
2022	1,407,686	10,947
2023	1,055,334	(58,378)
2024	229,130	(9,927)
Thereafter	91,992	15,857
Total	\$ 5,429,784	\$ 56,961

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2019, was determined by an actuarial valuation dated July 1, 2019, 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	6.90%	N/A
Discount rate	6.90%	3.50%

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

For both plans, the actuarial assumptions used in the valuation dated July 1, 2019 were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2019:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 7.00% to 6.90%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.87% to 3.50%.

Jackson County, Florida
Notes to Financial Statements

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

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.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate (Property)	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.90%. 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 3.50% 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.

Jackson County, Florida
Notes to Financial Statements

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

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.

	FRS Net Pension Liability		
	Current		
	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Governmental Employer's proportionate share of the net pension liability	\$ 36,542,370	\$ 21,133,839	\$ 8,274,663
Business-Type Employer's proportionate share of the net pension liability	\$ 548,952	\$ 322,764	\$ 124,305

	HIS Net Pension Liability		
	Current		
	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Governmental Employer's proportionate share of the net pension liability	\$ 5,140,244	\$ 4,502,859	\$ 3,971,988
Business-Type Employer's proportionate share of the net pension liability	\$ 77,218	\$ 67,643	\$ 59,669

Pension Plans' Fiduciary Net Position

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

Jackson County, Florida
Notes to Financial Statements

NOTE 12 - OTHER LIABILITIES

At September 30, 2019, other liabilities in the Statement of Net Position included \$120,000 associated with the settlement of an outstanding workers' compensation claim. The settlement will be paid in an annual installment of \$75,000 in fiscal year 2020 followed by 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, 2019, 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.

At September 30, 2019, other liabilities in the statement of net position also included \$76,666 payable for the purchase of an airplane hangar in 2019. This liability will be paid in two additional installments of \$38,333 due April 2020 and 2021.

Jackson County, Florida
Notes to Financial Statements

NOTE 14 - FUND BALANCE

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, 2019, the County reports net position as restricted, committed, assigned and unassigned. 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. Committed fund balance has amounts constrained by a specific purpose by the Board of County Commissioners. Assigned fund balance 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:

Funds	Purpose	
Transportation Trust	Funding for:	
	Inventory	94,495
Total Non-Spendable Fund Balance		\$ 94,495

Restricted Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Vessel fees	\$ 122,826	
	Total General Fund		\$ 122,826
Special Revenue Fund	Nonmajor governmental funds		
	Gas Tax Bond Series 2014	1,352,469	
	Local Law Enforcement	100,649	
	Drug Court	34,092	
	Crime prevention	86,147	
	Courts Facility	318,834	
	JCTDC tax	2,670,788	
	Anti-drug abuse	16,728	
	Inmate Welfare Fund	110,566	
	Additional court costs	333,424	
	Contraband forfeitures	71,883	
	Modernization of public records	392,217	
	Total nonmajor governmental funds		5,487,797
Total Restricted Fund Balance			\$ 5,610,623

Jackson County, Florida
Notes to Financial Statements

NOTE 14 - FUND BALANCE (CONTINUED)

Committed Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Sick Leave	\$	292,325
	Health department escrow	\$	150,000
	Prior year Improvements		162,739
	Total General Fund	\$	605,064
Special Revenue Fund	Funding for:		
	Transportation Trust		236,142
	Road Construction		6,233,146
	Nonmajor governmental funds		
	Compass Lake MSTU	910,036	
	Court construction improvement	31,682	
	Law library	7,543	
	Law enforcement	20,520	
	Mosquito control	25,665	
	West Jackson County Dev. Authority	326,261	
	Total nonmajor governmental funds		1,321,707
	Total Committed Fund Balance	\$	8,396,059

Jackson County, Florida
Notes to Financial Statements

NOTE 14 - FUND BALANCE (CONTINUED)

Assigned Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Administration Building Fund	\$	2,777,207
	BP settlement funds		306,036
	Tax Deeds		60,857
	Wellness funds		26,895
	Technology Escrow		34,544
	FLGRP Loan balance		854,749
	Library donations		11,798
	Total General Fund	\$	4,072,086
Special Revenue Fund	Funding for:		
	Fines and Forfeitures		401,328
	Transportation Trust		5,396,586
	Utility Fee Fund		175,466
	Nonmajor governmental funds		
	Local Option Gas Tax	578,454	
	Jackson County Ag Complex	295,845	
	Other Debt Service	107,835	
	E911	119,987	
	Sheriff Aviation	81,125	
	Contraband forfeitures	10,711	
	Compass Lake Forclosure	1,994	
	Solid Waste Recycling Grant	404	
	Total nonmajor governmental funds		1,196,355
	Total Assigned Fund Balance	\$	11,241,821

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 2018 amounts have been reclassified to conform with 2019 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, 2019, the amount of \$374,663 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, 2019, 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, 2019:

FDOT HGMP CR 278	\$ 1,289,868
FDOT SCOP CR162	1,782,141
Florida Springs Grant Indian Springs Extension	1,292,182
Florida Springs Grant Blue Springs Extension	354,434
Courthouse Renovation Project	1,555,957
Fire Station 22 Construction	239,031

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 \$144,000 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.

Jackson County, Florida Notes to Financial Statements

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.

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 \$4 million.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities, and results of the County. The occurrence and extent of such and impact will depend on future developments, including (i) the duration and spread of the virus (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel and meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which is uncertain.

Equipment Purchases

Subsequent to year end, the Board purchased various fixed assets including ambulance remounts, computers, and zero turn mowers costing approximately \$250,000.

Mowing Program

Subsequent to year end, the Board finalized a mowing program and approved to purchase items needed for the program totaling \$574,497.

Old Community Development Building

Subsequent to year end, the old community development building located on Highway 90 was sold for \$275,000.

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 \$116,117.

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, 2019, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	302
Retirees and beneficiaries currently receiving benefits	23
Total Membership	325
<hr/>	
Participating employers	1
<hr/>	

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 2019 was \$181,554. 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, 2019.

Coverage	BCBS
Retiree	\$ 777.67
Retiree and Family	1,072.38
BlueMedicare (Retiree only)	378.62

OPEB Liabilities and OPEB Expense – At September 30, 2019, the County reported a liability of \$3,105,000 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2019, and was determined by an actuarial valuation as of October 1, 2018. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2019, the County recognized OPEB expense of \$231,000.

The significant components of Other Post Employment Benefits follows:

	Total OPEB Liability	OPEB Expense
Balance at October 1, 2018	\$ 3,436,000	\$ -
Service cost	152,000	152,000
Interest cost	123,000	123,000
Difference between expected and actual experience	(323,000)	(36,000)
Benefit Payments	(155,000)	(14,000)
Other changes	(128,000)	6,000
Balance as of fiscal year ended September 30, 2019	\$ 3,105,000	\$ 231,000

For the year ended September 30, 2019, under GASB 75 the County OPEB expense is \$231,000. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of September 30, 2019 from various sources are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (287,000)
Changes of assumptions or other inputs	-	(114,000)
Net difference between projected and actual investments	-	-
Total	\$ -	\$ (401,000)

Jackson County, Florida
Notes to Financial Statements

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2020	\$ (50,000)
2021	(50,000)
2022	(50,000)
2023	(50,000)
2024	(50,000)
Thereafter	(151,000)
Total	\$ (401,000)

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 3.83% as of September 29, 2018.

Actuarial Method and Assumptions – The total OPEB liability in the October 1, 2018, 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	3.83%
Healthcare Cost Trend Rates	7.00%

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 (2.83%) or 1 percent point higher (4.83%) than the current discount rate:

	1% Decrease (2.83%)	Current Discount Rate (3.83%)	1% increase (4.83%)
Net OPEB Liability	\$ 3,488,000	\$ 3,105,000	\$ 2,783,000

Jackson County, Florida
Notes to Financial Statements

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

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 (6.00%) or 1 percent point higher (8.00%) than the current healthcare cost trend rates:

	1% Decrease (6.00%)	Current Medical Trend (7.00%)	1% increase (8.00%)
Net OPEB Liability	\$ 2,988,000	\$ 3,105,000	\$ 3,243,000

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, 2019 was \$320,019.

Minimum future lease payments under operating leases as of September 30, 2019 and for each year until expiration are:

2020	\$ 478,513
2021	456,332
2022	272,093
2023	39,668
2024	36,335
Total minimum future lease payments	\$ 1,282,941

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:

2020	\$ 142,260
2021	67,326
2022	67,326
2023	67,326
2024	16,832
Total	\$ 361,070

Jackson County, Florida
Notes to Financial Statements

NOTE 23 - 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.

NOTE 24 – INSURANCE RECOVERIES AND ASSET IMPAIRMENT RELATED TO HURRICANE MICHAEL

Hurricane Michael caused significant damage in the Florida Panhandle on October 10, 2018. The County has filed insurance claims for reimbursement of damages and additional costs related to the hurricane, such reimbursements totaled \$2,579,238 for the current year. Insurance proceeds of \$2,502,012 associated to governmental activities have been included in “Other financing Sources” and \$77,226 has been allocated to business activities, included, and included in “Non-operating revenues”. Assets were reviewed and evaluated by management for potential impairment because of the hurricane. Impairments related to governmental activities were evaluated on an individual asset group basis, and impairments related to business activities were offset with insurance proceeds with the gain (loss) reported as “Other Financing Sources”. The amount of impairment recorded for governmental activities was \$112,013 and the amount for business activities was \$19,813. Additional costs including but not limited to debris removal, repairs and overtime have been reported under operating expenses and personnel expenses respectively that were directly related to the effects of the hurricane.



**REQUIRED SUPPLEMENTARY
INFORMATION**

Jackson County, Florida
Schedule of Proportional Share of Net Pension Liability
Florida Retirement System (Last 7 Fiscal Years)

	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.062303921%	0.063866000%	0.063900000%	0.065000000%	0.061300000%	0.060900000%	0.061060000%
County's proportionate share of the net pension liability (asset)	\$ 21,456,603	\$ 19,236,871	\$ 18,913,624	\$ 16,406,577	\$ 7,907,595	\$ 3,707,706	\$ 10,510,427
County's covered payroll	\$ 14,322,493	\$ 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	149.81%	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	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

Note: Data was unavailable prior to 2013

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 30th 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 7 Fiscal Years)**

	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 1,931,871	\$ 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	(1,931,871)	(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	\$ 14,082,302	\$ 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	13.72%	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 30th 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 7 Fiscal Years)

	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.040848175%	0.041920000%	0.041600000%	0.043000000%	0.042900000%	0.043000000%	0.043100000%
County's proportionate share of the net pension liability (asset)	\$ 4,570,502	\$ 4,436,898	\$ 4,442,972	\$ 5,005,749	\$ 4,371,930	\$ 4,021,312	\$ 3,756,239
County's covered payroll	\$ 14,322,493	\$ 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	31.91%	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	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

Note: Data was unavailable prior to 2013

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 30th 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 7 Fiscal Years)**

	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 226,826	\$ 227,335	\$ 221,719	\$ 220,151	\$ 163,871	\$ 147,329	\$ 311,200
Contributions in relation to the contractually required contribution	(226,826)	(227,335)	(221,719)	(220,151)	(163,871)	(147,329)	(311,200)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
County's covered payroll	\$ 14,082,302	\$ 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	1.61%	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 30th 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 Years

<i>For the year ended September 30,</i>	2019	2018
Total OPEB Liability		
Service Cost	\$ 152,000	\$ 148,000
Interest Cost	123,000	119,000
Changes in Benefit Terms	-	-
Changes in benefit terms	-	-
Differences between expected and actual experience	(323,000)	-
Changes in assumptions	(128,000)	-
Benefit Payments	(155,000)	(146,000)
Other changes	-	-
Net change in total OPEB liability	(331,000)	121,000
Total OPEB Liability - beginning	3,436,000	3,315,000
Total OPEB Liability - ending (a)	3,105,000	3,436,000
Plan Fiduciary Net Position		
Contributions - employer	155,000	146,000
Benefit payments	(155,000)	(146,000)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	-	-
Net OPEB Liability - ending (a) - (b)	\$ 3,105,000	\$ 3,436,000
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered employee payroll	\$ 15,100,000	\$ 16,050,000
Net OPEB liability as a percentage of covered payroll	20.56%	21.41%
Contributions as a percentage of covered payroll	1.03%	0.91%

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



COMBINING FINANCIAL STATEMENTS

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

September 30, 2019

	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
Assets							
Cash and cash equivalents	\$ 48,932	\$ 26,167	\$ -	\$ -	\$ -	\$ 667,249	\$ -
Investments	-	-	-	-	1,609,882	-	-
Equity in pooled investments	7,424	92,601	-	-	197	-	-
Restricted cash and cash equivalents	-	-	1,436,243	739,785	930,892	-	1,355,273
Accounts receivable	-	-	-	-	-	274,814	-
Due from other funds	2,236,068	-	-	-	60,737	-	33,677
Due from agency funds	-	-	-	13,700	-	-	-
Due from other governmental units	453,010	21,778	-	-	116,208	-	-
Total assets	\$ 2,745,434	\$ 140,546	\$ 1,436,243	\$ 753,485	\$ 2,717,916	\$ 942,063	\$ 1,388,950
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 13,838	\$ 20,270	\$ 184,651	\$ 32,388	\$ 20,081	\$ 36,478
Due to other funds	2,166,980	6,721	24	-	14,740	11,945	-
Due to other governmental units	-	-	-	-	-	-	-
Unearned revenue	-	-	1,415,949	250,000	-	-	-
Total liabilities	2,166,980	20,559	1,436,243	434,651	47,128	32,026	36,478
Fund balances							
Restricted	-	-	-	318,834	2,670,788	-	1,352,472
Committed	-	-	-	-	-	910,037	-
Assigned	578,454	119,987	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	578,454	119,987	-	318,834	2,670,788	910,037	1,352,472
Total liabilities and fund balances	\$ 2,745,434	\$ 140,546	\$ 1,436,243	\$ 753,485	\$ 2,717,916	\$ 942,063	\$ 1,388,950

See Independent Auditors' Report

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

September 30, 2019

	Special Revenue Funds						
	Law Library Fund	Local Law Enforcement	Drug Court	Alcohol and Drug Abuse Fund	Library Grant Fund	Contraband Forfeitures Fund	Mosquito Control
Assets							
Cash and cash equivalents	\$ 8,497	\$ -	\$ -	\$ -	\$ -	\$ 10,711	\$ 120,512
Investments	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	96,514	34,079	2,981	288,503	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	682	-	-	-	-	25,679
Due from agency funds	-	3,453	12	19	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
Total assets	\$ 8,497	\$ 100,649	\$ 34,091	\$ 3,000	\$ 288,503	\$ 10,711	\$ 146,191
Liabilities							
Accounts payable and accrued expenses	\$ 954	\$ -	\$ -	\$ -	\$ 378	\$ -	\$ 16,777
Due to other funds	-	-	-	-	25,603	-	-
Due to other governmental units	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	262,522	-	103,750
Total liabilities	954	-	-	-	288,503	-	120,527
Fund balances							
Restricted	-	100,649	34,091	3,000	-	-	-
Committed	7,543	-	-	-	-	-	25,664
Assigned	-	-	-	-	-	10,711	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	7,543	100,649	34,091	3,000	-	10,711	25,664
Total liabilities and fund balances	\$ 8,497	\$ 100,649	\$ 34,091	\$ 3,000	\$ 288,503	\$ 10,711	\$ 146,191

See Independent Auditors' Report

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

September 30, 2019

	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
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 885	\$ 273,085	\$ 50,336	\$ -
Investments	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	135,601	49,534	32,884	-	-	-	162,398
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	82	-	6,637	52,131	-	211
Due from agency funds	-	-	646	4,008	-	-	-
Due from other governmental units	-	-	-	41	-	77	-
Total assets	\$ 135,601	\$ 49,616	\$ 33,530	\$ 11,571	\$ 325,216	\$ 50,413	\$ 162,609
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 11,571	\$ 803	\$ 7,649	\$ 12,609
Due to other funds	-	-	-	-	26,567	42,764	-
Due to other governmental units	133,607	-	-	-	-	-	-
Unearned revenue	-	-	-	-	2,000	-	150,000
Total liabilities	133,607	-	-	11,571	29,370	50,413	162,609
Fund balances							
Restricted	-	49,616	33,530	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	1,994	-	-	-	295,846	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	1,994	49,616	33,530	-	295,846	-	-
Total liabilities and fund balances	\$ 135,601	\$ 49,616	\$ 33,530	\$ 11,571	\$ 325,216	\$ 50,413	\$ 162,609

See Independent Auditors' Report

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

September 30, 2019

	Special Revenue Funds						West
	Hazardous Material Grant	Emergency Management Grant	Solid Waste Recycling Grant	Court Construction Improvements	Russ House Fund	Sheriff Aviation Fund	Jackson County Development Authority
Assets							
Cash and cash equivalents	\$ -	\$ 12,309	\$ 10,255	\$ 31,715	\$ 43,081	\$ 71,375	\$ 326,261
Investments	-	-	-	-	-	-	-
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	15,915	-	-
Due from other funds	-	-	5,318	-	14,740	-	-
Due from agency funds	-	-	-	-	-	-	-
Due from other governmental units	-	33,075	46,841	-	-	9,750	-
Total assets	\$ -	\$ 45,384	\$ 62,414	\$ 31,715	\$ 73,736	\$ 81,125	\$ 326,261
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ 9,800	\$ 2,405	\$ 33	\$ 1,023	\$ -	\$ -
Due to other funds	-	35,584	59,606	-	40,000	-	-
Due to other governmental units	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	825	-	-
Total liabilities	-	45,384	62,011	33	41,848	-	-
Fund balances							
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	31,682	-	-	326,261
Assigned	-	-	403	-	-	81,125	-
Unassigned	-	-	-	-	31,888	-	-
Total fund balances	-	-	403	31,682	31,888	81,125	326,261
Total liabilities and fund balances	\$ -	\$ 45,384	\$ 62,414	\$ 31,715	\$ 73,736	\$ 81,125	\$ 326,261

See Independent Auditors' Report

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

September 30, 2019

	Special Revenue Funds			
	Jackson County Agriculture Center	Additional Court Cost Fund	Accounts Payable Clearing Fund	Drug Task Force Operating
Assets				
Cash and cash equivalents	\$ 6,547	\$ -	\$ 218,231	\$ -
Investments	-	-	-	-
Equity in pooled investments	-	-	-	-
Restricted cash and cash equivalents	-	334,210	-	16,728
Accounts receivable	-	-	-	-
Due from other funds	26,567	-	-	-
Due from agency funds	-	2,630	-	-
Due from other governmental units	-	-	-	-
Total assets	\$ 33,114	\$ 336,840	\$ 218,231	\$ 16,728
Liabilities				
Accounts payable and accrued expenses	\$ 9,074	\$ 3,416	\$ 195,859	\$ -
Due to other funds	23,110	-	22,372	-
Due to other governmental units	-	-	-	-
Unearned revenue	930	-	-	-
Total liabilities	33,114	3,416	218,231	-
Fund balances				
Restricted	-	333,424	-	16,728
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	333,424	-	16,728
Total liabilities and fund balances	\$ 33,114	\$ 336,840	\$ 218,231	\$ 16,728

See Independent Auditors' Report

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

September 30, 2019

	Special Revenue Funds			
	JCSO Posse	JCSO Reserve Fund	JCSO Auxiliary Fund	Clerk Modernization Trust Fund
Assets				
Cash and cash equivalents	\$ 1,506	\$ 5,716	\$ 13,298	\$ -
Investments	-	-	-	-
Equity in pooled investments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	392,217
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from agency funds	-	-	-	-
Due from other governmental units	-	-	-	-
Total assets	\$ 1,506	\$ 5,716	\$ 13,298	\$ 392,217
Liabilities				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	-
Fund balances				
Restricted	-	-	-	392,217
Committed	1,506	5,716	13,298	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	1,506	5,716	13,298	392,217
Total liabilities and fund balances	\$ 1,506	\$ 5,716	\$ 13,298	\$ 392,217

See Independent Auditors' Report

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

September 30, 2019

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		Total
	Inmate	Sheriff	Debt	Non-Major	
	Welfare Fund	Contraband	Service	Governmental	
		Fund	Fund	Funds	
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$	1,946,668
Investments	-	-	-	-	1,609,882
Equity in pooled investments	-	-	107,835	-	208,057
Restricted cash and cash equivalents	101,648	71,883	-	-	6,181,373
Accounts receivable	10,926	-	-	-	301,655
Due from other funds	59	-	-	-	2,462,588
Due from agency funds	-	-	-	-	24,468
Due from other governmental units	-	-	-	-	680,780
Total assets	\$ 112,633	\$ 71,883	\$ 107,835	\$	13,415,471
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$	580,057
Due to other funds	2,068	-	-	-	2,478,084
Due to other governmental units	-	-	-	-	133,607
Unearned revenue	-	-	-	-	2,185,976
Total liabilities	2,068	-	-	-	5,377,724
Fund balances					
Restricted	110,565	71,883	-	-	5,487,797
Committed	-	-	-	-	1,321,707
Assigned	-	-	107,835	-	1,196,355
Unassigned	-	-	-	-	31,888
Total fund balances	110,565	71,883	107,835	-	8,037,747
Total liabilities and fund balances	\$ 112,633	\$ 71,883	\$ 107,835	\$	13,415,471

See Independent Auditors' Report

Page 1 of 7
Jackson County, Florida

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

For the year ended September 30, 2019

	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
Revenues							
Taxes	\$ 2,406,475	\$ -	\$ -	\$ -	\$ 663,103	\$ 314,581	\$ -
Intergovernmental	-	-	-	-	93,659	-	-
Charges for services	-	189,251	-	160,957	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	-	379,848	159,076	-	-	21,795	-
Investment earnings	185	2,305	20,760	1	22,925	-	1,218
Other fees and miscellaneous revenues	-	-	13,500	-	1,273	-	-
Total revenues	2,406,660	571,404	193,336	160,958	780,960	336,376	1,218
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public health and safety	-	246,904	-	-	-	29,911	-
Physical environment	-	-	-	-	-	-	-
Transportation	176,412	-	-	-	-	179,095	26,842
Economic environment	-	-	193,336	-	318,520	-	-
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	19,123	-	-	-
Capital outlay	124,523	360,120	-	901,190	-	190,295	-
Debt service							
Principal	-	-	-	-	-	-	922,000
Interest and other charges	-	-	-	-	-	-	145,113
Total expenditures	300,935	607,024	193,336	920,313	318,520	399,301	1,093,955
Excess (deficiency) of revenues over (under) expenditures	2,105,725	(35,620)	-	(759,355)	462,440	(62,925)	(1,092,737)
Other financing sources (uses)							
Transfers in	250,000	35,620	-	-	-	-	1,067,428
Transfers out	(2,438,316)	-	-	(171,000)	(14,715)	-	-
Net other financing sources (uses)	(2,188,316)	35,620	-	(171,000)	(14,715)	-	1,067,428
Net change in fund balances	(82,591)	-	-	(930,355)	447,725	(62,925)	(25,309)
Fund balances - beginning	661,045	119,987	-	1,249,189	2,223,063	972,962	1,377,781
Fund balances - ending	\$ 578,454	\$ 119,987	\$ -	\$ 318,834	\$ 2,670,788	\$ 910,037	\$ 1,352,472

See Independent Auditors' Report

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

For the year ended September 30, 2019

	Special Revenue Funds						
	Law Library Fund	Local Law Enforcement	Drug Court	Alcohol and Drug Abuse Fund	Library Grant Fund	Contraband Forfeitures Fund	Mosquito Control
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	485	-	-	-
Fines and forfeitures	1	49,672	1,002	-	-	-	-
Grants	-	-	-	-	95,725	-	4,278
Investment earnings	1	31	-	-	9	-	3
Other fees and miscellaneous revenues	-	-	-	-	-	-	-
Total revenues	2	49,703	1,002	485	95,734	-	4,281
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public health and safety	-	61,604	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	33,989
Culture/recreation	-	-	-	-	95,734	-	-
Court related	4,780	-	2,381	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	4,780	61,604	2,381	-	95,734	-	33,989
Excess (deficiency) of revenues over (under) expenditures	(4,778)	(11,901)	(1,379)	485	-	-	(29,708)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	20,000
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	20,000
Net change in fund balances	(4,778)	(11,901)	(1,379)	485	-	-	(9,708)
Fund balances - beginning	12,321	112,550	35,470	2,515	-	10,711	35,372
Fund balances - ending	\$ 7,543	\$ 100,649	\$ 34,091	\$ 3,000	\$ -	\$ 10,711	\$ 25,664

See Independent Auditors' Report

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

For the year ended September 30, 2019

	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
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	9,836	47,894	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	29,588
Investment earnings	1,931	440	3	1	-	-	3
Other fees and miscellaneous revenues	-	-	-	-	130,723	-	-
Total revenues	1,931	440	9,839	47,895	130,723	-	29,591
Expenditures							
Current:							
General government	-	-	-	-	-	57,336	-
Public health and safety	-	-	9,340	-	-	-	15,099
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	97,808	-	-	-
Capital outlay	-	-	-	6,277	-	43,190	18,227
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	-	-	9,340	104,085	-	100,526	33,326
Excess (deficiency) of revenues over (under) expenditures	1,931	440	499	(56,190)	130,723	(100,526)	(3,735)
Other financing sources (uses)							
Transfers in	-	-	-	56,190	-	100,526	-
Transfers out	-	-	-	-	(127,093)	-	-
Net other financing sources (uses)	-	-	-	56,190	(127,093)	100,526	-
Net change in fund balances	1,931	440	499	-	3,630	-	(3,735)
Fund balances - beginning	63	49,176	33,031	-	292,216	-	3,735
Fund balances - ending	\$ 1,994	\$ 49,616	\$ 33,530	\$ -	\$ 295,846	\$ -	\$ -

See Independent Auditors' Report

Jackson County, Florida

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

For the year ended September 30, 2019

	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	
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	-	-	-	-	14,715	21,000	-
Charges for services	-	-	-	-	14,715	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	3,598	156,007	90,909	-	-	-	-
Investment earnings	-	-	-	3	-	-	-
Other fees and miscellaneous revenues	-	-	-	-	1,492	-	13,688
Total revenues	3,598	156,007	90,909	3	30,922	21,000	13,688
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public health and safety	-	196,686	-	-	-	10,105	-
Physical environment	3,598	-	90,910	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	32,845	-	61
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	773	-	-	-
Capital outlay	-	16,295	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	3,598	212,981	90,910	773	32,845	10,105	61
Excess (deficiency) of revenues over (under) expenditures	-	(56,974)	(1)	(770)	(1,923)	10,895	13,627
Other financing sources (uses)							
Transfers in	-	56,974	-	-	14,715	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	56,974	-	-	14,715	-	-
Net change in fund balances	-	-	(1)	(770)	12,792	10,895	13,627
Fund balances - beginning	-	-	404	32,452	19,096	70,230	312,634
Fund balances - ending	\$ -	\$ -	\$ 403	\$ 31,682	\$ 31,888	\$ 81,125	\$ 326,261

See Independent Auditors' Report

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

For the year ended September 30, 2019

	Special Revenue Funds			
	Jackson County Agriculture Center	Additional Court Cost Fund	Accounts Payable Clearing Fund	Drug Task Force Operating
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	4,065	37,516	-	-
Fines and forfeitures	-	-	-	-
Grants	-	-	-	-
Investment earnings	-	1	-	-
Other fees and miscellaneous revenues	9,320	-	-	-
Total revenues	13,385	37,517	-	-
Expenditures				
Current:				
General government	-	-	-	-
Public health and safety	-	-	-	10,079
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	9,379	-	-
Culture/recreation	129,062	-	-	-
Court related	-	37,405	-	-
Capital outlay	68,181	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	197,243	46,784	-	10,079
Excess (deficiency) of revenues over (under) expenditures	(183,858)	(9,267)	-	(10,079)
Other financing sources (uses)				
Transfers in	183,858	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	183,858	-	-	-
Net change in fund balances	-	(9,267)	-	(10,079)
Fund balances - beginning	-	342,691	-	26,807
Fund balances - ending	\$ -	\$ 333,424	\$ -	\$ 16,728

See Independent Auditors' Report

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

For the year ended September 30, 2019

	Special Revenue Funds			
	JCSO Posse	JCSO Reserve Fund	JCSO Auxiliary Fund	Clerk Modernization Trust Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	62,305
Fines and forfeitures	-	-	-	-
Grants	-	-	-	-
Investment earnings	-	-	-	3,906
Other fees and miscellaneous revenues	-	1,943	-	-
Total revenues	-	1,943	-	66,211
Expenditures				
Current:				
General government	-	-	-	2,276
Public health and safety	-	475	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture/recreation	-	-	-	-
Court related	-	-	-	1,114
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	-	475	-	3,390
Excess (deficiency) of revenues over (under) expenditures	-	1,468	-	62,821
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net change in fund balances	-	1,468	-	62,821
Fund balances - beginning	1,506	4,248	13,298	329,396
Fund balances - ending	\$ 1,506	\$ 5,716	\$ 13,298	\$ 392,217

See Independent Auditors' Report

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

For the year ended September 30, 2019

	Special Revenue Funds		Debt Service Funds		Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Other Debt Service Funds		
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	3,384,159
Intergovernmental	-	-	-	-	129,374
Charges for services	160,562	-	-	-	687,586
Fines and forfeitures	-	12,283	-	-	62,958
Grants	-	-	-	-	940,824
Investment earnings	-	387	2,684	-	56,797
Other fees and miscellaneous revenues	-	-	-	-	171,939
Total revenues	160,562	12,670	2,684	-	5,433,637
Expenditures					
Current:					
General government	-	-	-	-	59,612
Public health and safety	85,567	18,919	-	-	684,689
Physical environment	-	-	-	-	94,508
Transportation	-	-	-	-	382,349
Economic environment	-	-	-	-	544,762
Human service	-	-	-	-	43,368
Culture/recreation	-	-	-	-	224,796
Court related	-	-	-	-	163,384
Capital outlay	-	-	-	-	1,728,298
Debt service	-	-	-	-	922,000
Principal	-	-	-	-	145,113
Interest and other charges	-	-	-	-	-
Total expenditures	85,567	18,919	-	-	4,992,879
Excess (deficiency) of revenues over (under) expenditures	74,995	(6,249)	2,684	-	440,758
Other financing sources (uses)					
Transfers in	-	-	-	-	1,785,311
Transfers out	(58,387)	-	-	-	(2,809,511)
Net other financing sources (uses)	(58,387)	-	-	-	(1,024,200)
Net change in fund balances	16,608	(6,249)	2,684	-	(583,442)
Fund balances - beginning	93,957	78,132	105,151	-	8,621,189
Fund balances - ending	\$ 110,565	\$ 71,883	\$ 107,835	\$ -	\$ 8,037,747

See Independent Auditors' Report

Jackson County, Florida
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds

September 30, 2019

	Parks and Recreation	Jackson Recycling	Total Nonmajor Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 4,351	\$ 48,587	\$ 52,938
Accounts receivable, net	76,723	325	77,048
Due from other funds	77,726	86,300	164,026
Total current assets	158,800	135,212	294,012
Noncurrent assets			
Capital assets			
Nondepreciable	-	41,641	41,641
Depreciable, net	666,242	80,541	746,783
Total noncurrent assets	666,242	122,182	788,424
Total assets	825,042	257,394	1,082,436
Deferred outflows of resources			
Pensions	46,045	8,526	54,571
Total deferred outflows of resources	46,045	8,526	54,571
Liabilities			
Current liabilities			
Accounts payable	\$ 88,989	\$ 5,775	\$ 94,764
Due to other funds	17,989	5,319	23,308
Liabilities payable from restricted assets	3,500	-	3,500
Total current liabilities	110,478	11,094	121,572
Noncurrent liabilities			
Net pension liability	140,546	26,026	166,572
Total noncurrent liabilities	140,546	26,026	166,572
Total liabilities	251,024	37,120	288,144
Deferred inflows of resources			
Pensions	13,365	2,475	15,840
Total deferred inflows of resources	13,365	2,475	15,840
Net position			
Net investment in capital assets	666,242	122,182	788,424
Restricted for			
Unrestricted (deficit)	(59,544)	104,143	44,599
Total net position	\$ 606,698	\$ 226,325	\$ 833,023

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, 2019

	Parks and Recreation	Jackson Recycling	Total Nonmajor Enterprise Total
Operating revenues			
Charges for services	\$ 78,716	\$ 24,743	\$ 103,459
Total operating revenues	78,716	24,743	103,459
Operating expenses			
Personal services	277,945	72,439	350,384
Utilities	16,562	-	16,562
Services and supplies	37,927	43,475	81,402
Repairs and maintenance	15,642	17,220	32,862
Other operating expenses	1,669	1,458	3,127
Depreciation	70,047	20,998	91,045
Total operating expenses	419,792	155,590	575,382
Net operating income (loss)	(341,076)	(130,847)	(471,923)
Nonoperating revenues (expenses)			
Interest income	2	-	2
Gain on disposition of assets	57,415	-	57,415
Miscellaneous revenue	-	127	127
Total nonoperating revenues (expenses)	57,417	127	57,544
Income (loss) before contributions and transfers	(283,659)	(130,720)	(414,379)
Capital contributions	75,400	-	75,400
Transfers, net	252,544	106,300	358,844
Change in net position	44,285	(24,420)	19,865
Total net position - beginning	562,413	250,745	813,158
Total net position - ending	\$ 606,698	\$ 226,325	\$ 833,023

See Independent Auditors' Report

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

For the year ended September 30, 2019

	Parks and Recreation	Jackson Recycling	Total
Operating activities			
Receipts from customers and users	\$ 3,203	\$ 31,355	\$ 34,558
Payments to suppliers	(902)	(60,392)	(61,294)
Payments to employees	(259,464)	(69,016)	(328,480)
Net cash provided (used) by operating activities	(257,163)	(98,053)	(355,216)
Noncapital financing activities			
Transfers to/from other funds	252,546	106,300	358,846
Advance from/to other funds	(85,408)	26,869	(58,539)
Net cash provided (used) by noncapital financing activities	167,138	133,169	300,307
Capital and related financing activities			
Capital contributions	75,400	-	75,400
Purchase of capital assets	(75,400)	-	(75,400)
Proceeds from sale of fixed assets	77,226	-	77,226
Other receipts	-	126	126
Net cash (used) provided by capital and related financing activities	77,226	126	77,352
Investing activities			
Interest and dividends	2	-	2
Net cash provided by investing activities	2	-	2
Net increase (decrease) in cash and cash equivalents	(12,797)	35,242	22,445
Cash - beginning of the year	17,148	13,345	30,493
Cash - ending of the year	\$ 4,351	\$ 48,587	\$ 52,938
Reconciliation of net operating income to net cash (used) provided by operating activities			
Net operating income (loss)	\$ (341,076)	\$ (130,847)	\$ (471,923)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	70,047	20,998	91,045
(Increase) decrease in accounts receivable	(70,703)	6,612	(64,091)
(Increase) decrease in deposits	(4,810)	-	(4,810)
Increase (decrease) in accounts payable	89,379	5,184	94,563
Net cash provided (used) by operating activities	\$ (257,163)	\$ (98,053)	\$ (355,216)

See Independent Auditors' Report

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

September 30, 2019

	<i>Clerk of the Circuit Court</i>					<i>Board</i>
	Fine and Forfeiture	Jury and Witness	Suspense	Cash Bonds	Registry	Inmate Welfare
Assets						
Cash and cash equivalents	\$ 287,851	\$ 12,476	\$ -	\$ 138,000	\$ 391,346	\$ 34,054
Total assets	\$ 287,851	\$ 12,476	\$ -	\$ 138,000	\$ 391,346	\$ 34,054
Liabilities						
Due to others	\$ 182,024	\$ 12,476	\$ -	\$ 138,000	\$ 391,346	\$ 33,995
Due to other funds	105,827	-	-	-	-	59
Due to other governments	-	-	-	-	-	-
Total liabilities	\$ 287,851	\$ 12,476	\$ -	\$ 138,000	\$ 391,346	\$ 34,054

See Independent Auditors' Report

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

September 30, 2019

	<i>Tax Collector</i>					<i>Sheriff</i>	Total Agency Funds	
	Credit Cards	License and Boat	Tag	Tax	Driver's License	Trust Account		
Assets								
Cash and cash equivalents	\$ 11,744	\$ 1,482	\$ 20,485	\$ 313,433	\$ 6,007	\$ 32,530	\$ 1,249,408	
Total assets	\$ 11,744	\$ 1,482	\$ 20,485	\$ 313,433	\$ 6,007	\$ 32,530	\$ 1,249,408	
Liabilities								
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,530	\$ 790,371	
Due to other funds	-	-	-	-	-	-	105,886	
Due to other governments	11,744	1,482	20,485	313,433	6,007	-	353,151	
Total liabilities	\$ 11,744	\$ 1,482	\$ 20,485	\$ 313,433	\$ 6,007	\$ 32,530	\$ 1,249,408	

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, 2019, 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 30, 2020.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 that may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies listed as SH 2006-001 described in the accompanying schedule of findings and questioned costs to be a material weakness.

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. We consider the deficiencies listed at BOARD 2019-001 and BOARD 2019-002 described in the accompanying schedule of findings and questioned cost to be significant deficiencies.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the summary of findings and questioned cost as Board 2018-002.

We also noted other certain matters that were reported to the management of the County in a separate letter dated June 30, 2020.

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 30, 2020

**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, 2019. 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, 2019.

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 a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned cost as item Board 2018-002, which we consider to be a significant deficiency.

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 30, 2020

Page 1 of 4
Jackson County, Florida
Schedule of Expenditures of Federal Awards
And State Financial Assistance

For the year ended September 30, 2019

Federal Agency Pass through entity Federal Program	CFDA Number	Grant/ Contract Number	Expenditures
US Department of Homeland Security, Federal Emergency Management Agency			
Pass through Florida Executive Office of Governor			
Emergency Management Performance Grant FY 17-18	97.042	19-FG-AF-02-41-01-077	\$ 37,755
Emergency Management Performance Grant FY 18-19	97.042	G026	13,101
			50,856
Pass through Florida Executive Office of Governor			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)			
FEMA DR4177	97.036	15-SP-8Z-02-42-02-526	(94,909)
Florida DR4399 MICHAEL	97.036	Z0842	14,854,874
Florida DR4399 MICHAEL	97.036	Z0926	143,231
			14,903,196
Pass through Florida Executive Office of Governor			
Hazard Mitigation Grant (HMGP) - DR-4177-38-R	97.039	18HM-H4-02-41-01-035	15,704
Total US Department of Homeland Security			14,969,756
United States Department of Agriculture			
Pass through Florida Department of Agriculture & Consumer Services			
Forestry Grant Funds - Wildland Gear	10.664	VFAJACKSON	10,925
Forestry Grant Funds - Bunker Gear	10.664	VFAJACKSON	27,959
Total United States Department of Agriculture			38,884
United States Federal Elections Administration			
Pass through Florida Department of State, Division of Elections			
Help America Vote Act Requirement Payments Program - Federal Election Activites	90.401	MOA 2017-2018-0001-JAC	4,118
Help America Vote Act Requirement Payments Program - Elections Security Grant	90.401	MOA 2018-2019-001-JAC	8,860
Total United States Federal Elections Administration			12,978
US Department of Transportation, Federal Highway Administration			
Pass through Florida Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction Federal Aid Highway Program - Jackson Road Sidewalk Construction	20.205	GOS19	121,909
Total US Department of Transportation, Federal Highway Administration			121,909

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

Page 2 of 4
Jackson County, Florida
Schedule of Expenditures of Federal Awards
And State Financial Assistance

For the year ended September 30, 2019

Federal Agency Pass through entity Federal Program	CFDA Number	Grant/ Contract Number	Expenditures
US Department of Health and Human Services, Administration for Children & Families			
Pass through Florida Agency for Children & Families, Office of Child Support Enforcement			
Child Support Enforcement	93.563	CD332	116,177
Total US Department of Health and Human Services, Administration for Children & Families			116,177
United States Environmental Protection Agency			
Pass through Florida Department of Environmental Protection			
Drinking Water State Revolving Fund Cluster			
Capitalization Grants for Drinking Water - State Revolving Fund	66.468	DW320350	543,360
Total United States Environmental Protection Agency			543,360
United States Department of Justice			
Pass through Florida Department of Law Enforcement			
Edward Byrne Memorial Justice Assistance Grant			
Anti-Drug Abuse Act Funds	16.738	2019-JAGC-JACK-1-N2-109	9,164
Total United States Department of Justice			9,164
Total Expenditures of Federal Awards			\$ 15,812,228

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

Page 3 of 4
Jackson County, Florida
Schedule of Expenditures of Federal Awards
And State Financial Assistance

For the year ended September 30, 2019

State Agency State Program Title State Financial Assistance Projects	CSFA Number	Grant/ Contract Number	Expenditures
Florida Department of Transportation			
Highway Operations Program			
Small County Outreach Program (SCOP) - CR278	55.009	G1016	\$ 5,896
Small County Outreach Program (SCOP) - CR162	55.009	G1019	7,195
Small County Outreach Program (SCOP) - Jackson Road	55.009	G1022	477,166
Total Small County Outreach Program (SCOP)			490,257
Small County Road Assistance Program (SCRAP) - Piano	55.016	GOS27	7,690
Total Small County Road Assistance Program (SCRAP)			7,690
County Inventive Grant Program - Merritts Mill	55.008	GOS26	630,696
Total Florida Department of Transportation			1,128,643
Florida Housing Finance Corporation			
Florida Housing Finance Corporation Program			
State Housing Initiatives Partnership Program (SHIP)	40.901	n/a	94,866
Disaster Recovery Funding	40.902	n/a	64,210
Total Florida Housing Finance Corporation			159,076
Florida Department of Environmental Protection			
Waste Management Program			
Small County Consolidated Grant	37.012	918SC	90,909
Total Florida Department of Environmental Protection			90,909
Florida Department of State			
Library and Information Services Program			
State Aid to Libraries	45.030	17-ST-67	95,725
Total Florida Department of State			95,725
Florida Executive Office of the Governor			
Emergency Management Program			
Emergency Management Projects - Florida Hazardous Materials Planning & Prevention Program	31.067	19-CP-11-02-41-01-173	3,598
Emergency Management Programs	31.063	A0021	19,974
Emergency Management Programs	31.063	19-BG-21-02-41-01-037	85,177
Total Emergency Management Program			105,151
Total Florida Executive Office of the Governor			108,749
Florida Department of Health			
Community Public Health Program			
County Grant Awards	64.005	C5032	7
County Grant Awards	64.005	C6032	16,035
County Grant Awards	64.005	C3032	-
EMS Matching Grant	64.003	M4042	-
County Grant Awards	64005.000	C7032	13,546
Total Florida Department of Health			29,588

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

Page 4 of 4
Jackson County, Florida
Schedule of Expenditures of Federal Awards
And State Financial Assistance

For the year ended September 30, 2019

State Agency State Program Title State Financial Assistance Projects	CSFA Number	Grant/ Contract Number	Expenditures
Florida Department of Agriculture and Consumer Services			
Consumer Protection Program			
Mosquito Control	42.003	22239	4,278
Total Florida Department of Agriculture and Consumer Services			4,278
Florida Department of Management Services			
Technology Program			
Wireless 911 Emergency Telephone System Rural Grant Program - E911 Maintenance	72.001	17-04-12	360,120
Wireless 911 Emergency Telephone System Rural Grant Program - E911 Maintenance	72.001	18-04-16	19,728
Total Florida Department of Management Services			379,848
Florida Department of Economic Opportunity			
Division of Strategic Business Development			
Local Economic Development Initiatives - Dozier Study	40.012	DO120	300,000
Total Florida Department of Economic Opportunity			300,000
Florida Department of Highway Safety and Motor Vehicles			
Motorist Services Program			
Florida Arts License Plate Project	76.041	n/a	256
Total Florida Department of Highway Safety and Motor Vehicles			256
Florida Department of Law Enforcement			
Investigative Services Program			
Computer Aided Dispatch System - Jackson County Sheriff's Office	71.034	2019-SFA-FCO-32-3K-002	292,003
Total Florida Department of Law Enforcement			292,003
Northwest Florida Water Management District			
Florida Springs Grant Program - Blue Springs Stormwater	37.052	18-025	75,400
Florida Springs Grant Program - Blue Springs	37.052	17-061	115,403
Florida Springs Grant Program - Indian Springs Sewer	37.052	16-045	710,880
Total Northwest Florida Water Management District			901,683
Florida Department of Financial Services			
Grant and Aids - Local Government Fire Service Grant	43.009	FM449	26,023
Total Florida Department of Financial Services			26,023
United States Department of Education			
Pass through Florida Department of Education			
Major Stoneman Douglas High School Public Safety Coach Aaron Feis Guardian Program	48.140	97H-90210-9D001	59,865
Total United States Department of Education			59,865
Total Expenditures of State Financial Assistance			3,576,646
Total Federal Awards and State Financial Assistance			\$ 19,388,874

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, 2019

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 \$13,500 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, 2019

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, 2019, 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 \$1,548,404 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 \$4,900 in capitalized interest. Principal and capitalized interest payable by the County at September 30, 2019 were \$404,767 and \$1,688 respectively.

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2019

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | None Noted |

Federal Awards:

- | | |
|--|------------|
| 1. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None Noted |
| 4. Identification of major programs: | |

<u>CFDA Number</u>	<u>Federal Program</u>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | No |

State Financial Assistance:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major projects | Unmodified |
| 2. Internal control over major projects: | |

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2019

SECTION I – SUMMARY OF AUDITORS’ RESULTS (CONTINUED)

- | a. Material weaknesses identified? | No | | | | | | | | |
|--|---------------------------------------|---------------|--------|---------------------------------------|--------|--------------------------------------|--------|-------------------------------|--|
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes | | | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, <i>Rules of the Auditor General</i> ? | Yes | | | | | | | | |
| 4. Identification of major projects: | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CSFA Number</th> <th style="text-align: center; border-bottom: 1px solid black;">State Project</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">55.008</td> <td style="text-align: center;">County Incentive Grant Program (CIGP)</td> </tr> <tr> <td style="text-align: center;">55.009</td> <td style="text-align: center;">Small County Outreach Program (SCOP)</td> </tr> <tr> <td style="text-align: center;">37.052</td> <td style="text-align: center;">Florida Springs Grant Program</td> </tr> </tbody> </table> | CSFA Number | State Project | 55.008 | County Incentive Grant Program (CIGP) | 55.009 | Small County Outreach Program (SCOP) | 37.052 | Florida Springs Grant Program | |
| CSFA Number | State Project | | | | | | | | |
| 55.008 | County Incentive Grant Program (CIGP) | | | | | | | | |
| 55.009 | Small County Outreach Program (SCOP) | | | | | | | | |
| 37.052 | Florida Springs Grant Program | | | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B projects: | \$750,000 | | | | | | | | |

SECTION II – FINANCIAL STATEMENT FINDINGS

BOARD – RETAINAGE PAYABLE – FINDING, BCC 2019-001

CRITERIA: All amounts payable including retainage should be recorded as a liability at year end.

CONDITION: Retainage payable for a debris vendor was not recorded in the amount of \$457,980.

CAUSE: It is uncommon to find retainage payable on this type of purchase and it was overlooked.

EFFECT: Liabilities and expenditures were understated.

RECOMMENDATION: All liabilities should be recorded at year end including retainage payable.

VIEW OF RESPONSIBLE OFFICIALS: See Management’s Response and Corrective Action Plan beginning on page 106.

BOARD – CONTRIBUTED ASSETS – FINDING, BCC 2019-002

CRITERIA: Fixed assets including all property and equipment should be recorded at the government wide level including donated assets.

CONDITION: Donated assets consisting of the former Dozier property was received by the County in 2019 but not recorded.

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

CAUSE: This transaction was very unusual and did not involve actual disbursements. It would only be reported at the government wide level and was overlooked.

EFFECT: Fixed assets and the related contribution was understated by the estimated value of approximately \$10 million.

RECOMMENDATION: All assets should be recorded including donated property and equipment received from others.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 106.

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 106.

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2019

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

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.

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.

STATUS: This condition was not resolved.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 106.

Jackson County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2019

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

FINANCIAL STATEMENT AUDIT

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

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.

STATUS: This condition was resolved.

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

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 was resolved.

Jackson County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2019

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS (CONTINUED)

MAJOR FEDERAL PROGRAMS AND STATE PROJECTS

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

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.

STATUS: This condition was 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, 2019, and have issued our report thereon dated June 30, 2020.

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 30, 2020, 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.b. 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 no 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 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 30, 2020.

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.

Cary Riggs & Ingram, L.L.C.

Marianna, Florida
June 30, 2020



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

**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, 2019. 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 Jackson County, Florida complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Jackson County, Florida 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, 2019.

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 30, 2020



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

**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 Jackson County, Florida’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, 2019. 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, 2019.

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 30, 2020

Jackson County, Florida
Management's Response



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, 2019. 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 2019-01

COMMENT: All amounts payable including retainage should be recorded as a liability at year end.

RESPONSE: In the future the Finance Officer will review all construction invoices thoroughly to determine if retainage is payable at year end to insure compliance.

FINDING 2019-02

COMMENT: Fixed assets including all property and equipment should be recorded at the government wide level including donated assets.

RESPONSE: In the future the Finance Officer will insure all assets are recorded including donated property and equipment received from others at the time the County takes possession of the asset to insure compliance.

PRIOR YEAR 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.

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

RESPONSE: The Deputy Administrator will review all grant agreements in the future to insure compliance.

PRIOR YEAR FINDINGS 2006-01

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. In June 2019 a contract was executed with EMS Management & Consultants, Inc. to provide ambulance billing and payment processing services for the County. The contractual arrangement will be in effect for the full year with the September 30, 2020 audit 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

March 17, 2020

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, 2019. 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, 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. As such, this will be a recurring problem until we are awarded another position to permanently remedy this.

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



CONSTITUTIONAL OFFICER STATEMENTS

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

FINANCIAL STATEMENTS

September 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRICpa.com

**Jackson County, Florida
Clerk of the Circuit Court
Table of Contents
September 30, 2019**

	Page
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	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 Accountants' Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	21
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, Budget Procedure	22
Independent Accountants' Report on Compliance with Section 61.181, Florida Statutes, <i>Depository for Alimony Transactions, Support, Maintenance and Support Payments; Fees</i>	23
Independent Auditors' Management Letter	24



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

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, 2019, 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, 2019, 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, 2019, 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 April 16, 2020 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.

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

April 16, 2020



FINANCIAL STATEMENTS

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

<i>September 30, 2019</i>	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 335,412	\$ -	\$ 335,412
Restricted cash and cash equivalents	-	392,217	392,217
Accounts receivable	18,927	-	18,927
Due from other funds	72,683	-	72,683
Total assets	\$ 427,022	\$ 392,217	\$ 819,239
Liabilities			
Accounts payable and accrued expenses	\$ 48,870	\$ -	\$ 48,870
Due to Board of County Commissioners	124,885	-	124,885
Due to other governmental units	253,267	-	253,267
Total liabilities	427,022	-	427,022
Fund balances			
Restricted	-	392,217	392,217
Total liabilities and fund balances	\$ 427,022	\$ 392,217	\$ 819,239

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**

<i>For the year ended September 30, 2019</i>	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Revenues			
Intergovernmental	\$ 166,780	\$ -	\$ 166,780
Charges for services	841,579	62,305	903,884
Fines and forfeitures	173,835	-	173,835
Grants	116,177	-	116,177
Interest	240	3,906	4,146
Total revenues	1,298,611	66,211	1,364,822
Expenditures			
Current:			
General government	738,882	2,275	741,157
Court-related	831,666	1,114	832,780
Total expenditures	1,570,548	3,389	1,573,937
Excess (deficiency) of revenues over (under) expenditures	(271,937)	62,822	(209,115)
Other financing sources (uses)			
Transfers in	573,562	-	573,562
Transfers out	(128,010)	-	(128,010)
Transfers to State of Florida	(173,615)	-	(173,615)
Net other financing sources (uses)	271,937	-	271,937
Net change in fund balances	-	62,822	62,822
Fund balances - beginning	-	329,395	329,395
Fund balances - ending	\$ -	\$ 392,217	\$ 392,217

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

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 146,670	\$ 166,780	\$ 166,780	\$ -
Charges for services	751,450	715,743	841,579	125,836
Fines and forfeitures	280,000	241,947	173,835	(68,112)
Grants	95,849	95,849	116,177	20,328
Interest	200	200	240	40
Total revenues	1,274,169	1,220,519	1,298,611	78,092
Expenditures				
Current				
General government	781,654	758,694	738,882	19,812
Court-related	1,006,670	1,008,383	831,666	176,717
Reserve for contingency	28,796	27,004	-	27,004
Total expenditures	1,817,120	1,794,081	1,570,548	223,533
Excess (deficiency) of revenues over (under) expenditures	(542,951)	(573,562)	(271,937)	301,625
Other financing sources (uses)				
Transfers in	542,951	573,562	573,562	-
Transfers out	-	-	(128,010)	(128,010)
Transfers to State of Florida	-	-	(173,615)	(173,615)
Net other financing sources (uses)	542,951	573,562	271,937	(301,625)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

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

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 58,500	\$ 61,000	\$ 62,305	\$ 1,305
Interest	-	-	3,906	3,906
Total revenues	58,500	61,000	66,211	5,211
Expenditures				
Current				
General government	15,000	16,000	2,275	13,725
Court-related	43,500	45,000	1,114	43,886
Total expenditures	58,500	61,000	3,389	57,611
Net change in fund balance	\$ -	\$ -	\$ 62,822	\$ 62,822

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

<i>September 30, 2019</i>	Agency Funds
Assets	
Cash and cash equivalents	\$ 829,673
<hr/>	
Total assets	\$ 829,673
<hr/> <hr/>	
Liabilities	
Due to other funds	\$ 72,683
Due to Board of County Commissioners	33,144
Due to others	723,846
<hr/>	
Total liabilities	\$ 829,673
<hr/> <hr/>	

The accompanying notes are an integral part of these 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 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.

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, 2019, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

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

All governmental fund 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. Capital 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash and Cash Equivalents

At September 30, 2019, the Clerk held restricted funds of \$392,217 for the Public Records Modernization Trust Fund.

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

Management has evaluated subsequent events through the date that the financial statements were available to be issued, April 16, 2020 and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Clerk adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* (“GASB 83”)
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* (“GASB 88”)

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Clerk's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Clerk's financial statements.

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
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
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>	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Clerk's cash and cash equivalents and restricted cash and cash equivalents was \$1,557,302 and the bank balance was \$1,611,359. 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, 2019.

Credit Risk

At September 30, 2019, the Clerk did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2019, the Clerk did not hold any deposits or investments that were considered to have interest rate risk.

Custodial Credit Risk

As of September 30, 2019, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2019, 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 the site below:

www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

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

Note 3: EMPLOYEE PENSION PLAN (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 credible 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.

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:

	10/01/18 Through <u>06/30/19</u>	07/01/19 Through <u>09/30/19</u>
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials' class	48.70%	48.82%
DROP	14.03%	14.60%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the period October 1, 2018 through September 30, 2019, the total payroll for all employees was \$1,109,010. The retirement contributions for all employees covered by the System for the years ended September 30, 2019, 2018 and 2017 were \$170,625, \$161,448 and \$136,375, respectively, which were the required contributions. For the year ended September 30, 2019, retirement contributions represented 15.39% 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.

Note 3: EMPLOYEE PENSION PLAN (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 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.

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, 2019, excess court-related funds were \$253,267.

Note 6: FUND BALANCES

Non-spendable fund balances include amounts that cannot be spent because they are not spendable form or are legally or contractually required to be maintained intact. The Clerk had no non-spendable net assets at September 30, 2019.

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

Note 6: FUND BALANCES (Continued)

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, 2019, 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:

Funds	Purpose	
Public Records Modernization Trust Fund	Funding for:	
	Modernization of Public Records	\$ 51,959
	Court-related technology	340,258
	Total restricted fund balance	\$ 392,217

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 \$116,177 as of September 30, 2019.

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 \$124,885 as of September 30, 2019.

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

For the year ended September 30, 2019

	Fine and Forfeiture	Couty Witness	Cash Bonds	Registry	Total
Assets					
Cash and cash equivalents	\$ 287,851	\$ 12,476	\$ 138,000	\$ 391,346	\$ 829,673
Total assets	\$ 287,851	\$ 12,476	\$ 138,000	\$ 391,346	\$ 829,673
Liabilities					
Due to other funds	\$ 72,683	-	-	-	\$ 72,683
Due to Board of County Commissioners	33,144	-	-	-	\$ 33,144
Due to others	182,024	12,476	138,000	391,346	\$ 723,846
Total liabilities	\$ 287,851	\$ 12,476	\$ 138,000	\$ 391,346	\$ 829,673



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 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, 2019, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated April 16, 2020.

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.

Carly Riggs & Ingram, L.L.C.

April 16, 2020



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

**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, 2019. 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, 2019.

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.

April 16, 2020



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

**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, 2019. 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, 2019.

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.

April 16, 2020



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

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

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, 2019. 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, 2019.

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.

April 16, 2020



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

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, 2019, and have issued our report thereon dated April 16, 2020.

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 April 16, 2020, 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.

Carly Riggs & Ingram, L.L.C.

April 16, 2020

**Jackson County, Florida
Property Appraiser**

FINANCIAL STATEMENTS

September 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Jackson County, Florida
Property Appraiser
Table of Contents
September 30, 2019

	Page
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 to Actual – General Fund	5
Notes to Financial Statements	6
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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>	16
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	18
Independent Auditors' Management Letter	19



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

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, 2019, 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, 2019, 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, 2019, 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 February 21, 2020 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.

February 21, 2020



FINANCIAL STATEMENTS

Jackson County, Florida
Property Appraiser
Balance Sheet
Governmental Funds

<i>September 30, 2019</i>	General Fund
<hr/>	
Assets	
Cash	\$ 45,469
<hr/>	
Total assets	\$ 45,469
<hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 37,080
Total liabilities	37,080
<hr/>	
Fund balance	8,389
<hr/>	
Total liabilities and fund balance	\$ 45,469
<hr/>	

The accompanying notes are an integral part of this financial statement.

Jackson County, Florida
Property Appraiser
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds

<i>For the year ended September 30, 2019</i>	General Fund
Revenues	
Charges for services	\$ 8,388
Interest earnings	1
Total revenues	8,389
Expenditures	
Current	
General government	979,105
Capital outlay	80,952
Total expenditures	1,060,057
Excess (deficiency) of revenues over (under) expenditures	(1,051,668)
Other Financing Sources (Uses)	
Transfers in	1,034,097
Insurance proceeds	25,960
Net other financing sources (uses)	1,060,057
Net change in fund balance	8,389
Fund balance, beginning of year	-
Fund balance, end of year	\$ 8,389

The accompanying notes are an integral part of this financial statement.

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

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Expenditures				
Current				
General government	\$ 984,677	\$ 1,001,188	\$ 979,105	\$ 22,083
Capital outlay	-	-	80,952	(80,952)
Total expenditures	984,677	1,001,188	1,060,057	(58,869)
Excess (deficiency) of revenues over (under) expenditures	(984,677)	(1,001,188)	(1,060,057)	(58,869)
Other Financing Sources (Uses)				
Insurance proceeds	-	-	25,960	25,960
Transfer in	984,677	1,001,188	1,034,097	32,909
Net other financing sources (uses)	984,677	1,001,188	1,060,057	58,869
Net change in fund balance - budgetary basis	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this financial statement.

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)

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 interest revenue are recorded as earned.

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.

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

Jackson County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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, 2019, 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.

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:

	Total Expenditures	Total Revenue	Net Change in Fund Balance
GAAP basis	\$ 1,060,057	\$ 8,389	\$ 8,389
Non-budgeted revenues and expenditures:			
Revenues other than appropriations from the Board of County Commissioners and related expenditures	-	(8,389)	(8,389)
Budgetary basis	\$ 1,060,057	\$ -	\$ -

Jackson County, Florida
Property Appraiser
Notes to Financial statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 21, 2020 and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Property Appraiser adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83")
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Property Appraiser's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Property Appraiser's Financial Statements.

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.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
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>	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Property Appraiser’s cash and cash equivalents was \$45,469 and the bank balance was \$61,135. 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.

Note 2: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

At September 30, 2019, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2019, the Property Appraiser did not hold any deposits or investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2019, the Property Appraiser did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2019, 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.

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:

	10/01/18 Through 06/30/19	07/01/19 Through 09/30/19
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
DROP	14.03%	14.60%
Elected county officials' class	48.70%	48.82%
Reemployed retirees	5.16%	5.22%

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 \$623,173 at September 30, 2019. The Property Appraiser's contribution to the plan for the years ended September 30, 2019, 2018, and 2017 was \$107,060, \$94,736, and \$80,526, respectively, which were the required contributions. For the year ended September 30, 2019 retirement contributions represent 17.18% 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
Property Appraiser
Notes to Financial statements

Note 3: EMPLOYEE PENSION PLAN (Continued)

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 (OPEB)

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 \$8,389 are retained by the Property Appraiser upon the Board of County Commissioners' approval.

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, 2019.

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 \$8,391 unrestricted fund balance at September 30, 2019.

**Jackson County, Florida
Property Appraiser
Notes to Financial statements**

Note 7: LITIGATION AND CONTINGENT LIABILITIES

The Property Appraiser is involved in Value Adjustment Board (“VAB”) issues arising from the ordinary course of business.



**REPORTS ON INTERNAL CONTROL
AND COMPLIANCE MATTERS**

**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, 2019, 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 February 21, 2020.

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

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.

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

February 21, 2020



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

**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, 2019. 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, 2019.

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.

February 21, 2020

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, 2019, and have issued our report thereon dated February 21, 2020.

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 February 21, 2020, 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 such findings in the preceding audit report.

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.

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

February 21, 2020

**Jackson County, Florida
Sheriff**

FINANCIAL STATEMENTS

September 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRICpa.com

Jackson County, Florida
Sheriff
Table of Contents
September 30, 2019

	Page
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	20
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	21
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>	22
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes, Local <i>Government Investment Policies</i>	25
Independent Auditors' Management Letter	26
Management's Response	28



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, 2019, 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, 2019, 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, 2019, 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 March 17, 2020 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
March 17, 2020



FINANCIAL STATEMENTS

Jackson County, Florida
Sheriff
Balance Sheet
Governmental Funds

<i>September 30, 2019</i>	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 363,645	\$ -	\$ 20,520	\$ 384,165
Restricted cash and cash equivalents	-	71,883	16,728	88,611
Due from other governmental units	42,014	-	-	42,014
Total assets	\$ 405,659	\$ 71,883	\$ 37,248	\$ 514,790
Liabilities				
Accounts payable and accrued expenses	\$ 235,927	\$ -	\$ -	\$ 235,927
Due to Board of County Commissioners	169,732	-	-	169,732
Total liabilities	405,659	-	-	405,659
Fund balances				
Restricted	-	71,883	16,728	88,611
Committed	-	-	20,520	20,520
Total fund balances	-	71,883	37,248	109,131
Total liabilities and fund balances	\$ 405,659	\$ 71,883	\$ 37,248	\$ 514,790

The accompanying notes are an integral part of this financial statement.

**Jackson County, Florida
Sheriff**

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

<i>For the year ended September 30, 2019</i>	General Fund	Contraband Forfeitures	Other Governmental Funds	Total Governmental Funds
Revenues				
Fines and forfeitures	\$ -	\$ 12,283	\$ -	\$ 12,283
Grants	495,099	-	-	495,099
Investment earnings	-	387	-	387
Other fees and miscellaneous revenues	191,699	-	1,943	193,642
Total revenues	686,798	12,670	1,943	701,411
Expenditures				
Current:				
Public safety	5,461,587	18,919	10,554	5,491,060
Capital outlay	460,617	-	-	460,617
Total expenditures	5,922,204	18,919	10,554	5,951,677
Excess (deficiency) of revenues over (under) expenditures	(5,235,406)	(6,249)	(8,611)	(5,250,266)
Other financing sources (uses)				
Transfers in	5,405,138	-	-	5,405,138
Transfers out	(169,732)	-	-	(169,732)
Net other financing sources (uses)	5,235,406	-	-	5,235,406
Net change in fund balances	-	(6,249)	(8,611)	(14,860)
Fund balances - beginning	-	78,132	45,859	123,991
Fund balances - ending	\$ -	\$ 71,883	\$ 37,248	\$ 109,131

The accompanying notes are an integral part of this financial statement.

**Jackson County, Florida
Sheriff**

**Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
General Fund**

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts on a Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Grants	\$ -	\$ -	\$ -	\$ -
Other fees and miscellaneous revenues	-	-	82,036	82,036
Total revenues	-	-	82,036	82,036
Expenditures				
Current:				
Public safety	4,769,104	4,928,341	4,856,825	71,516
Capital outlay	447,250	476,797	460,617	16,180
Total expenditures	5,216,354	5,405,138	5,317,442	87,696
Excess (deficiency) of revenues over (under) expenditures	(5,216,354)	(5,405,138)	(5,235,406)	169,732
Other financing sources (uses)				
Transfers in	5,216,354	5,405,138	5,405,138	-
Transfers out	-	-	(169,732)	(169,732)
Total other financing sources	5,216,354	5,405,138	5,235,406	(169,732)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this financial statement.

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

<i>September 30, 2019</i>	Agency
Assets	
Cash	\$ 32,530
<hr/>	
Total assets	\$ 32,530
<hr/> <hr/>	
Liabilities	
Due to others	\$ 32,530
<hr/>	
Total liabilities	\$ 32,530
<hr/> <hr/>	

The accompanying notes are an integral part of this 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 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.

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, 2019, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Sheriff's Posse - Accounts for revenues and expenditures related to the Sheriff's Posse unit.

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.

Jackson County, Florida
Sheriff
Notes to Financial statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Sheriff 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:

	Total Expenditures	Total Revenue and Other Financing Sources	Net Change in Fund Balance
GAAP basis	\$ 5,922,204	\$ 5,922,204	\$ -
Non-budgeted revenues and expenditures:			
Revenues other than appropriations from the			
Grants and Insurance Proceeds	(604,762)	(604,762)	-
Budgetary basis	\$ 5,317,442	\$ 5,317,442	\$ -

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Compensated Absences (Continued)

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.

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

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 17, 2020 and determined there were no events that occurred that required disclosure.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Sheriff adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83")
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Sheriff's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Sheriff's financial statements.

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.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
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>	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash and cash equivalents was \$505,306 and the bank balance was \$666,239. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit Act. Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis. Florida Statutes authorize the Sheriff to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Sheriff to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Credit Risk

At September 30, 2019, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2019, the Sheriff did not hold any deposits or investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2019, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2019, 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, 2019.

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.

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 pay all contributions at rates determined each year by the legislature. The rates, as a percentage of gross earnings, are as follows:

	10/01/18 Through <u>06/30/19</u>	07/01/19 Through <u>9/30/19</u>
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials	48.70%	48.82%
Special risk employees	23.27%	24.50%
DROP participants	14.03%	14.60%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 01, 2018 through September 30, 2019, the total payroll for all employees was \$3,247,901. The retirement contributions for all employees covered by the System for the years ended September 30, 2019, 2018 and 2017 were \$600,417, \$576,548 and \$538,106, respectively, which were the required contributions. For the year ended September 30, 2019 retirement contributions represented 18.49% of covered payroll.

Note 4: EMPLOYEE PENSION PLAN (Continued)

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 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, 2019, 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 litigations arising from the ordinary course of business. The Sheriff's office has been made aware of various potential litigations stemming from arrests by a former Deputy Sheriff. In the opinion of the Sheriff's attorney, the ultimate effect of such litigation cannot be ascertained at this time.

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, 2019, excess revenues over expenditures of \$169,732 are accrued and reported as transfers out to the Board of County Commissioners.

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, 2019.

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, 2019, 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

Jackson County, Florida
Sheriff
Notes to Financial statements

Note 10: FUND BALANCES (Continued)

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, 2019 are as follows:

	Contraband Forfeitures	Other Governmental Funds	Total
Restricted for:			
Public safety grants	\$ -	\$ 16,728	\$ 16,728
Crime prevention	71,883	-	71,883
Total fund balances - restricted	\$ 71,883	\$ 16,728	\$ 88,611

Committed fund balances at September 30, 2019 are as follows:

	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total
Committed for:				
Community activities	\$ 5,716	\$ -	\$ -	\$ 5,716
Auxiliary unit	-	13,298	-	13,298
Sheriff's posse unit	-	-	1,506	1,506
Total fund balances - committed	\$ 5,716	\$ 13,298	\$ 1,506	\$ 20,520

Note 11: COMMITMENTS

The Sheriff entered into a software licensing and support agreement during the year ended September 30, 2018, the second annual payment of \$161,705 was paid during the current fiscal year. The Sheriff has the final payment of \$161,705 to be made during next year and the annual support fee for the future years.

Jackson County, Florida
Sheriff
Notes to Financial statements

Note 12: OPERATING LEASES

The Sheriff entered various operating leases for rental vehicles that expire in May 2022. Future minimum payments under the leases are as follows:

<i>For the years ending September 30,</i>	<i>Amount</i>
2020	\$ 198,513
2021	175,243
2022	111,730
Total	\$ 485,486



SUPPLEMENTARY INFORMATION

**Jackson County, Florida
Sheriff
Combining Balance Sheet
Nonmajor Governmental Funds**

September 30, 2019	Anti-Drug Abuse Grant	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ -	\$ 5,716	\$ 13,298	\$ 1,506	\$ 20,520
Restricted cash and cash equivalents	16,728	-	-	-	16,728
Total assets	\$ 16,728	\$ 5,716	\$ 13,298	\$ 1,506	\$ 37,248
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
Fund balances					
Restricted	16,728	-	-	-	16,728
Committed	-	5,716	13,298	1,506	20,520
Total fund balances	16,728	5,716	13,298	1,506	37,248
Total liabilities and fund balances	\$ 16,728	\$ 5,716	\$ 13,298	\$ 1,506	\$ 37,248

See Independent Auditors' Report.

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

	Anti-Drug Abuse Grant	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total Nonmajor Governmental Funds
<i>For the year ended September 30, 2019</i>					
Revenues					
Other fees and miscellaneous revenues	\$ -	\$ 1,943	\$ -	\$ -	\$ 1,943
Total revenues	-	1,943	-	-	1,943
Expenditures					
Current:					
Public safety	10,079	475	-	-	10,554
Total expenditures	10,079	475	-	-	10,554
Excess (deficiency) of revenues (under) expenditures	(10,079)	1,468	-	-	(8,611)
Net change in fund balances	(10,079)	1,468	-	-	(8,611)
Fund balances - beginning	26,807	4,248	13,298	1,506	45,859
Fund balances - ending	\$ 16,728	\$ 5,716	\$ 13,298	\$ 1,506	\$ 37,248

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

**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, 2019, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated March 17, 2020.

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 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's 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 finding has been cleared.

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.

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

Marianna, Florida
March 17, 2020

**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, 2019. 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, 2019.

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
March 17, 2020

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, 2019, and have issued our report thereon dated March 17, 2020.

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 March 17, 2020, 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
March 17, 2020

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

March 17, 2020

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, 2019. 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, 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. As such, this will be a recurring problem until we are awarded another position to permanently remedy this.

Sincerely,

A handwritten signature in blue ink, appearing to read "Louis S. Roberts III", written over a horizontal line.

Louis S. Roberts III, Sheriff
Jackson County Florida

A handwritten signature in blue ink, appearing to read "Sarah K. Sun", written over a horizontal line.

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, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Jackson County, Florida
Supervisor of Elections
Table of Contents
September 30, 2019

	Page
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 to Actual – General Fund	5
Notes to Financial Statements	6
REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS	
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

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, 2019, 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, 2019, 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, 2019, 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 March 23, 2020 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.

March 23, 2020



FINANCIAL STATEMENTS

Jackson County, Florida
Supervisor of Elections
Balance Sheet
Governmental Funds

<i>September 30, 2019</i>	General Fund
Assets	
Cash and cash equivalents	\$ 11,377
Restricted cash and cash equivalents	19,758
Due from other governments	85
Due from Board of County Commissioners	10,882
Total assets	\$ 42,102
Liabilities	
Accounts payable and accrued expenses	\$ 32,619
Unearned revenue	9,483
Total liabilities	42,102
Fund balance	-
Total liabilities and fund balance	\$ 42,102

The accompanying notes are an integral part of this financial statement.

Jackson County, Florida
Supervisor of Elections
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds

<i>For the year ended September 30, 2019</i>	General Fund
Revenues	
Grants	\$ 39,173
Interest earnings	4
Other fees and miscellaneous revenue	1,639
Total revenues	40,816
Expenditures	
Current	
General government	605,316
Total expenditures	605,316
Excess (deficiency) of revenues over (under) expenditures	(564,500)
Other Financing Sources (Uses)	
Transfers in	564,500
Net other financing sources (uses)	564,500
Net change in fund balance	-
Fund balance, beginning of year	-
Fund balance, end of year	\$ -

The accompanying notes are an integral part of this financial statement.

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

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts (Unfavorable)	Variance with Fund Budget Favorable
Revenues				
Grants	\$ 33,183	\$ 42,043	\$ 39,173	\$ (2,870)
Interest earnings	25	25	4	(21)
Other fees and miscellaneous revenues	3,300	3,300	1,639	(1,661)
Total revenues	36,508	45,368	40,816	(4,552)
Expenditures				
Current				
General government	617,130	625,990	605,316	20,674
Total expenditures	617,130	625,990	605,316	20,674
Excess (deficiency) of revenues over (under) expenditures	(580,622)	(580,622)	(564,500)	16,122
Other Financing Sources (Uses)				
Transfer in	580,622	580,622	564,500	(16,122)
Net other financing sources (uses)	580,622	580,622	564,500	(16,122)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this 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.

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, 2019, 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.

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.

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, 2019, the Supervisor of Elections held restricted funds of \$19,758 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 23, 2020 and determined there were no events that occurred that required disclosure.

Jackson County, Florida
Supervisor of Elections
Notes to Financial statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements

In fiscal year 2019, the Supervisor of Elections adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* (“GASB 83”)
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* (“GASB 88”)

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Supervisor of Election's financial statements.

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Supervisor of Election's Financial Statements.

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 Election upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
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 Obligation</i>	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Supervisor of Elections' cash and cash equivalents and restricted cash and cash equivalents was \$31,135 and the bank balance was \$31,135. 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, 2019, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

Interest rate risk – At September 30, 2019, 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, 2019, 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, 2019, 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.

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:

	10/01/18 Through 06/30/19	07/01/19 Through 09/30/19
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials' class	48.70%	48.82%

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 \$261,118 for the year ended September 30, 2019. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2019, 2018 and 2017 was \$76,624, \$67,923 and \$68,581, respectively, which were the required contributions. These contributions represent 29.35% of covered payroll for the year ended September 30, 2019.

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 PENSIONS (OPEB)

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, 2019, 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 was the 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, 2019.

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, 2019.

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.



**REPORTS ON INTERNAL CONTROL
AND COMPLIANCE MATTERS**

**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, 2019, 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 March 23, 2020.

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.

March 23, 2020

**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, 2019. 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, 2019.

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.

March 23, 2020

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, 2019, and have issued our report thereon dated March 23, 2020.

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 March 23, 2020, 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 findings 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.

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.

Carri Riggs & Ingram, L.L.C.

March 23, 2020

**Jackson County, Florida
Tax Collector**

FINANCIAL STATEMENTS

September 30, 2019



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRlcpa.com

Jackson County, Florida
Tax Collector
Table of Contents
September 30, 2019

	Page
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 to 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

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, 2019, 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, 2019, 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 March 4, 2020 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.

March 4, 2020



FINANCIAL STATEMENTS

**Jackson County, Florida
Tax Collector
Balance Sheet
Governmental Funds**

<i>September 30, 2019</i>	General Fund
<hr/>	
Assets	
Cash	\$ 45,467
<hr/>	
Total assets	\$ 45,467
<hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 25,386
Unearned revenue	17,546
Due to Board of County Commissioners	335
<hr/>	
Total liabilities	43,267
<hr/>	
Fund balance	2,200
<hr/>	
Total liabilities and fund balance	\$ 45,467
<hr/>	

The accompanying notes are an integral part of this financial statement.

Jackson County, Florida
Tax Collector
Statement of Revenues, Expenditures, and
Changes in Fund Balance
Governmental Funds

<i>For the year ended September 30, 2019</i>	General Fund
<hr/>	
Revenues	
Charges for services	\$ 1,012,919
<hr/>	
Total revenues	1,012,919
<hr/>	
Expenditures	
Current:	
General government	1,200,999
<hr/>	
Total expenditures	1,200,999
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(188,080)
<hr/>	
Other financing sources (uses)	
Transfers in	188,415
Transfers out	(335)
<hr/>	
Net other financing sources (uses)	188,080
<hr/>	
Net change in fund balance	-
<hr/>	
Fund balance - beginning	2,200
<hr/>	
Fund balance - ending	\$ 2,200
<hr/> <hr/>	

The accompanying notes are an integral part of this financial statement.

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

<i>For the year ended September 30, 2019</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 1,061,644	\$ 1,061,644	\$ 1,012,919	\$ (48,725)
Total revenues	1,061,644	1,061,644	1,012,919	(48,725)
Expenditures				
Current:				
General government	1,243,040	1,224,975	1,200,999	23,976
Capital outlay	-	18,065	-	18,065
Total expenditures	1,243,040	1,243,040	1,200,999	42,041
Excess (deficiency) of revenues over (under) expenditures	(181,396)	(181,396)	(188,080)	(6,684)
Other financing sources (uses)				
Transfers in	181,396	181,396	188,415	7,019
Transfers out	-	-	(335)	(335)
Net other financing sources (uses)	181,396	181,396	188,080	6,684
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this financial statement.

Jackson County, Florida
Tax Collector
Statement of Fiduciary Net Position
Agency Funds

<i>September 30, 2019</i>	Agency Funds
<hr/>	
Assets	
Cash	\$ 353,151
<hr/>	
Total assets	\$ 353,151
<hr/> <hr/>	
Liabilities	
Due to others	\$ 353,151
<hr/>	
Total liabilities	\$ 353,151
<hr/> <hr/>	

The accompanying notes are an integral part of this financial statement.

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.

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, 2019, 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Management has evaluated subsequent events through the date that the financial statements were available to be issued March 4, 2020 and determined there were no events that occurred that required disclosure.

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 2019, the Tax Collector adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83")
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings And Direct Placements* ("GASB 88")

GASB 83 establishes standards of accounting and financial reporting requirements for legally enforceable liabilities associated with the retirement of certain tangible capital assets. State and local governments that have legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the regulation of the statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. GASB 83 had no impact on the Tax Collector's financial statements.

Jackson County, Florida
Tax Collector
Notes to Financial statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 88 defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. GASB 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant subjective acceleration clauses. GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of GASB 88 are effective for reporting periods beginning after June 15, 2018. GASB 88 had no impact on the Tax Collector's Financial Statements.

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.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
84	<i>Fiduciary Activities</i>	2020
87	<i>Leases</i>	2021
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 Obligation</i>	2022

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2019, the carrying amount of the Tax Collector's cash and cash equivalents was \$398,618 and the bank balance was \$891,212. 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.

Credit Risk - At September 30, 2019, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk - At September 30, 2019, the Tax Collector did not hold any deposits or investments that were considered to have interest rate risk.

Custodial Credit Risk - At September 30, 2019, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk - At September 30, 2019, 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.

Jackson County, Florida
Tax Collector
Notes to Financial statements

Note 3: EMPLOYEE PENSION PLAN (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:

	10/01/18 Through 06/30/19	07/01/19 Through 09/30/19
Regular employees	8.26%	8.47%
Senior management	24.06%	25.41%
Elected county officials' class	48.70%	48.82%
DROP plan participants	14.03%	14.60%

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 \$797,494 for the year ended September 30, 2019. The Tax Collector's contribution to the plan for the years ended September 30, 2019, 2018, and 2017 totaled \$101,102, \$94,971, and \$87,600, respectively, which were the required contributions. These contributions represented 12.67% of covered payroll for the year ended September 30, 2019.

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.

Jackson County, Florida
Tax Collector
Notes to Financial statements

Note 3: EMPLOYEE PENSION PLAN (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 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.

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, 2019, excess revenues over expenditures of \$335 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, 2019 was \$20,040. The minimum future lease payments under operating leases as of September 30, 2019 and for each year until expiration are:

2020	\$	12,540
2021		12,540
2022		12,540
<hr/>		
Total minimum future lease payments	\$	37,620

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.

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, 2019, 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

<i>September 30, 2019</i>	License and Boat	Tag	Tax	Driver's License	Credit Cards	Total
Assets						
Cash	\$ 1,482	\$ 20,485	\$ 313,433	\$ 6,007	\$ 11,744	\$ 353,151
Total assets	\$ 1,482	\$ 20,485	\$ 313,433	\$ 6,007	\$ 11,744	\$ 353,151
Liabilities						
Due to others	\$ 1,482	\$ 20,485	\$ 313,433	\$ 6,007	\$ 11,744	\$ 353,151
Total liabilities	\$ 1,482	\$ 20,485	\$ 313,433	\$ 6,007	\$ 11,744	\$ 353,151

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, 2019, 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 March 4, 2020.

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.

Carly Riggs & Ingram, L.L.C.

March 4, 2020



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

**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, 2019. 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, 2019.

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.

March 4, 2020

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, 2019, and have issued our report thereon dated March 4, 2020.

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 March 4, 2020, 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.

March 4, 2020