

Jackson County, Florida

Financial Statements

September 30, 2020



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FINANCIAL STATEMENTS

September 30, 2020

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AUDITOR

Carr, Riggs & Ingram, LLC

Jackson County, Florida
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CONSTITUTIONAL OFFICER FINANCIAL STATEMENTS

Clerk of the Circuit Court	
Property Appraiser	
Sheriff	
Supervisor of Elections	
Tax Collector	



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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, (the "County") as of and for the year ended September 30, 2020, 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, 2020, 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 28, 2021, 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* in considering the County's internal control over financial reporting and compliance.

Cary Riggs & Ingram, L.L.C.

Marianna, Florida
June 28, 2021

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 \$90,134,417.
- The County's total net position increased by \$9,728,471, which represents a 12.1% increase from the 2019 fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported total fund balance of \$36,457,276, which is an increase of \$6,004,695 in comparison with the prior year.
- During the current year, General Fund revenues exceeded expenditures and transfers by \$2,873,863. General Fund revenue increased by \$4,239,725, or 16.319% 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, Local Option Gas Tax 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 23 through 65 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, 2020 and September 30, 2019:

<i>September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 54,992,243	\$ 44,669,083	\$ 1,277,697	\$ 1,540,720	\$ 56,269,940	\$ 46,209,803
Non-current assets	80,557,132	81,233,764	14,566,158	13,241,127	95,123,290	94,474,891
Total assets	135,549,375	125,902,847	15,843,855	14,781,847	151,393,230	140,684,694
Deferred outflows of resources	9,379,630	8,398,847	133,678	127,902	9,513,308	8,526,749
Current liabilities	18,534,968	14,216,503	262,752	686,014	18,797,720	18,797,720
Non-current liabilities	45,462,944	46,936,266	4,388,938	4,090,695	49,851,882	49,851,882
Total liabilities	63,997,912	61,152,769	4,651,690	4,776,709	68,649,602	68,649,602
Deferred inflows of resources	2,097,292	2,838,894	25,227	37,125	2,122,519	2,876,019
Net investment in capital assets	70,657,825	65,490,998	9,540,839	9,540,839	80,198,664	75,031,837
Restricted	5,606,968	5,610,623	60,076	62,323	5,667,044	5,672,946
Unrestricted (deficit)	2,569,008	(791,590)	1,699,701	492,753	4,268,709	(298,837)
Total net position	\$ 78,833,801	\$ 70,310,031	\$ 11,300,616	\$ 10,095,915	\$ 90,134,417	\$ 80,405,946

Jackson County, Florida Management's Discussion and Analysis

The following is a summary of the County's Statement of Activities as of September 30, 2020 and September 30, 2019:

<i>as of September 30,</i>	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 9,450,576	\$ 9,443,003	\$ 1,313,084	\$ 1,322,462	\$ 10,763,660	\$ 10,765,465
Operating grants and contributions	24,797,664	9,211,424	-	-	24,797,664	9,211,424
Capital grants and contributions	1,397,401	508,052	1,287,953	1,558,363	2,685,354	2,066,415
Total program revenues	35,645,641	19,162,479	2,601,037	2,880,825	38,246,678	22,043,304
General Revenues						
Property taxes	11,164,137	11,850,601	-	-	11,164,137	11,850,601
Other taxes, intergovernmental and shared revenue	18,593,853	20,463,694	-	-	18,593,853	20,463,694
Investment earnings	186,571	377,982	9,918	9,264	196,489	387,246
Miscellaneous	1,843,106	13,854,282	5,471	57,537	1,848,577	13,911,819
Transfers	(498,677)	(358,844)	498,677	358,844	-	-
Transfers to State of FL	(152,604)	(173,615)	-	-	(152,604)	(173,615)
Total general revenues	31,136,386	46,014,100	514,066	425,645	31,650,452	46,439,745
Total revenues	66,782,027	65,176,579	3,115,103	3,306,470	69,897,130	68,483,049
Expenses						
Program activities						
Governmental activities:						
General government	12,225,118	13,684,802	-	-	12,225,118	13,684,802
Public safety	19,612,504	19,525,887	-	-	19,612,504	19,525,887
Physical environment	474,630	597,530	-	-	474,630	597,530
Transportation	20,148,180	21,663,412	-	-	20,148,180	21,663,412
Economic environment	1,240,878	1,318,406	-	-	1,240,878	1,318,406
Human services	1,883,115	1,960,167	-	-	1,883,115	1,960,167
Culture and recreation	959,374	984,499	-	-	959,374	984,499
Court related	1,439,076	1,225,886	-	-	1,439,076	1,225,886
Interest on long-term debt	275,382	258,787	-	-	275,382	258,787
Business-type activities	-	-	1,910,402	1,748,121	1,910,402	1,748,121
Total expenses	58,258,257	61,219,376	1,910,402	1,748,121	60,168,659	62,967,497
Change in net position	8,523,770	3,957,203	1,204,701	1,558,349	9,728,471	5,515,552
Net position – beginning	70,310,031	66,352,828	10,095,915	8,537,566	80,405,946	74,890,394
Net position – ending	\$ 78,833,801	\$ 70,310,031	\$ 11,300,616	\$ 10,095,915	\$ 90,134,417	\$ 80,405,946

Jackson County, Florida Management's Discussion and Analysis

The largest portion of the County's net position (88.97%) 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 (6.29%) which represent resources that are subject to constraints such as debt covenants, grantors, laws or regulations. The remaining balance of unrestricted net position (\$4,268,709 or 4.74%) 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, 2020 are contained on the Statement of Activities on Page 5 of this report.

Governmental activities increased the County's net position by \$8,523,770.

FINANCIAL ANALYSIS OF JACKSON COUNTY'S FUNDS

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

Major Governmental Funds

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$4,952,571 while the total fund balance was \$12,846,028. 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 14.40% of total General Fund expenditures, while total fund balance represents 37.36% of that same amount. The fund balance increased by \$2,873,863 during the 2019-2020 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 \$1,117,428 which is assigned. The fund balance increased by \$716,100 during the 2019-2020 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 \$97,915; the assigned fund balance was \$5,930,644 and committed fund balance was \$238,962. The fund balance increased by \$634,792 during the 2019-2020 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 \$7,856,403. The fund balance increased by \$1,623,257 during the 2019-2020 fiscal year.

The Local Option Gas Tax fund accounts for utility fee tax revenues. At the end of the current fiscal year, the assigned fund balance was \$754,102. The fund balance increased by \$175,648 during the 2019-2020 fiscal year.

Proprietary Funds

The County's proprietary funds reported net position of \$11,300,616 which includes \$10,018,409 from the operation of the Water/Sewer System.

Total unassigned fund balances for all governmental funds totaled \$4,991,371 at September 30, 2020 compared to total governmental fund balances of \$36,457,276 at the same date. The restricted fund balance was \$5,606,968 which included funds for Vessel fees, Gas Tax Bond Series 2014, Courts facility fund, JCDC tax, Inmate Welfare fund, and other special revenue funds.

The unassigned governmental fund balance of \$4,991,371 is different from the Unrestricted Net Position amount on the Statement of Net Position of \$2,569,008 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 2019-2020 fiscal year, the County amended the budget for numerous funds on November 10, 2020. The County received unanticipated revenues and determined actual cash balance forward dollars in excess of the original budget figures in the amount of \$12,933,500.

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business type activities as of September 30, 2020 amounted to \$95,123,290 (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, 2020, the County had a long-term debt amounting to \$49,851,883. Of this amount, notes payable, capital lease and revenue bond outstanding was \$13,734,056, with \$1,350,524 to meet compensated absences obligations, with \$30,728,253 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 4.8% percent at September 30, 2020, an increase of 1.8% from the prior year.
- Population increased to approximately 48,889.
- The taxable value for personal and real property in the County at September 30, 2020 is \$1,597,448,622, an increase of 5.7% from the previous year.
- The general ad valorem tax millage rate was 7.8484 for the year ended September 30, 2020.
- The budget for the next fiscal year ending September 30, 2020 represents a 21% increase over the 2019-2020 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.

Jackson County, Florida Statement of Net Position (Continued)

September 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 31,715,080	\$ 153,890	\$ 31,868,970
Restricted cash and cash equivalents	5,778,850	74,425	5,853,275
Equity in pooled investments	2,825,059	49,254	2,874,313
Accounts receivable	2,518,919	124,060	2,642,979
Inventory	97,915	35,641	133,556
Internal balances	371,718	(371,718)	-
Due from other governmental units	11,654,274	1,212,145	12,866,419
Due from agency funds	30,428	-	30,428
Capital assets, net			
Nondepreciable capital assets	8,404,895	4,317,677	12,722,572
Depreciable capital assets, net	72,152,237	10,248,481	82,400,718
Total assets	135,549,375	15,843,855	151,393,230
Deferred outflows of resources			
Pension	8,898,630	133,678	9,032,308
Other post employment benefit obligation	481,000	-	481,000
Total deferred outflows of resources	9,379,630	133,678	9,513,308
Liabilities			
Accounts payable and accrued expenses	5,251,162	206,520	5,457,682
Accrued interest payable	-	10,484	10,484
Due to other governmental units	716,795	-	716,795
Unearned revenue	12,567,011	-	12,567,011
Liabilities payable from restricted assets	-	45,748	45,748
Long-term liabilities			
Portion due or payable within one year			
Notes payable	303,000	-	303,000
Capital lease	304,959	-	304,959
Bonds payable	964,000	170,689	1,134,689
Compensated absences	337,631	-	337,631
Landfill closure liability	50,000	-	50,000
Portion due or payable after one year			
Notes payable	1,555,000	703,636	2,258,636
Capital lease	2,692,348	-	2,692,348
Bonds payable	4,080,000	2,960,424	7,040,424
Compensated absences	1,012,893	-	1,012,893
Other post employment benefit obligation	3,501,589	99,411	3,601,000
Net pension liability	30,273,475	454,778	30,728,253
Other liabilities	83,333	-	83,333
Landfill closure liability	304,716	-	304,716
Total liabilities	63,997,912	4,651,690	68,649,602
Deferred inflows of resources			
Pension	1,683,292	25,227	1,708,519
Other post employment benefit obligation	414,000	-	414,000
Total deferred inflows of resources	2,097,292	25,227	2,122,519

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

Jackson County, Florida
Statement of Net Position (Continued)

-Continued-

September 30, 2020

	Governmental Activities	Business-type Activities	Total
Net position			
Net investment in capital assets	70,657,825	9,540,839	80,198,664
Restricted	5,606,968	69,037	5,676,005
Unrestricted (deficit)	2,569,008	1,690,740	4,259,748
Total net position	\$ 78,833,801	\$ 11,300,616	\$ 90,134,417

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

Jackson County, Florida Statement of Activities

For the year ended September 30, 2020

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	\$ 12,225,118	\$ 8,987,701	\$ 14,263,405	\$ -	\$ 11,025,988	\$ -	\$ 11,025,988	
Public safety	19,612,504	396,244	430,094	209,966	(18,576,200)	-	(18,576,200)	
Physical environment	474,630	-	91,246	-	(383,384)	-	(383,384)	
Transportation	20,148,180	-	9,408,202	187,435	(10,552,543)	-	(10,552,543)	
Economic environment	1,240,878	-	467,598	-	(773,280)	-	(773,280)	
Human services	1,883,115	-	5,666	-	(1,877,449)	-	(1,877,449)	
Culture and recreation	959,374	-	131,453	-	(827,921)	-	(827,921)	
Court related	1,439,076	66,631	-	1,000,000	(372,445)	-	(372,445)	
Interest on long-term debt	275,382	-	-	-	(275,382)	-	(275,382)	
Total governmental activities	58,258,257	9,450,576	24,797,664	1,397,401	(22,612,616)	-	(22,612,616)	
Business-type activities								
Water and sewer	1,189,014	1,176,895	-	870,253	-	858,134	858,134	
Parks and recreation	529,194	125,644	-	417,700	-	14,150	14,150	
Recycling	79,666	10,545	-	-	-	(69,121)	(69,121)	
Interest on long-term debt	112,528	-	-	-	-	(112,528)	(112,528)	
Total business-type activities	1,910,402	1,313,084	-	1,287,953	-	690,635	690,635	
Total primary government	\$ 60,168,659	\$ 10,763,660	\$ 24,797,664	\$ 2,685,354	\$ (22,612,616)	\$ 690,635	\$ (21,921,981)	
General revenues								
Taxes								
Property taxes					11,164,137	-	11,164,137	
Local option taxes					7,390,138	-	7,390,138	
Sales tax and other taxes					2,867,249	-	2,867,249	
Intergovernmental and shared revenue					8,336,466	-	8,336,466	
Investment earnings					186,571	9,918	196,489	
Gain/loss on disposition of assets					822,653	-	822,653	
Miscellaneous					758,678	5,471	764,149	
Insurance proceeds					261,775		261,775	
Transfer to State of Florida					(152,604)	-	(152,604)	
Transfers					(498,677)	498,677	-	
Total general revenues					31,136,386	514,066	31,650,452	
Change in net position					8,523,770	1,204,701	9,728,471	
Net position, beginning					70,310,031	10,095,915	80,405,946	
Net position, ending					\$ 78,833,801	\$ 11,300,616	\$ 90,134,417	

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

Jackson County, Florida
Balance Sheet
Governmental Funds

September 30, 2020

	General Fund	Fines and Forfeitures	Transportation Trust	Road Construction	Local Option Gas Tax	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 14,161,447	\$ 787,372	\$ 7,264,821	\$ 80,809	\$ 2,748	\$ 9,417,883	\$ 31,715,080
Equity in pooled investments	373,585	93,214	238,962	15,769	7,512	2,096,017	2,825,059
Restricted cash and cash equivalents	124,121	-	-	-	-	5,654,729	5,778,850
Accounts receivable	1,384,150	-	681,158	-	-	453,611	2,518,919
Inventory	-	-	97,915	-	-	-	97,915
Due from other funds	1,136,851	197,908	3,886,110	4,890,500	2,691,483	165,135	12,967,987
Due from agency funds	3,835	2,284	-	-	-	24,309	30,428
Due from other governmental units	5,328,729	224,747	1,696,455	3,601,144	475,616	327,583	11,654,274
Total assets	\$ 22,512,718	\$ 1,305,525	\$ 13,865,421	\$ 8,588,222	\$ 3,177,359	\$ 18,139,267	\$ 67,588,512
Liabilities							
Accounts payable and accrued expenses	\$ 3,538,133	\$ 188,097	\$ 391,522	\$ 703,446	\$ -	\$ 429,964	\$ 5,251,162
Due to other funds	5,410,783	-	3,910,540	28,373	2,423,257	823,315	12,596,268
Due to other governmental units	665,954	-	-	-	-	50,841	716,795
Unearned revenue	51,820	-	3,295,838	-	-	9,219,353	12,567,011
Total liabilities	9,666,690	188,097	7,597,900	731,819	2,423,257	10,523,473	31,131,236
Fund balances							
Nonspendable	-	-	97,915	-	-	-	97,915
Restricted	124,121	-	-	-	-	5,482,847	5,606,968
Committed	4,120,231	-	238,962	7,856,403	-	1,091,987	13,307,583
Assigned	3,649,105	1,117,428	5,930,644	-	754,102	1,002,160	12,453,439
Unassigned	4,952,571	-	-	-	-	38,800	4,991,371
Total fund balances	12,846,028	1,117,428	6,267,521	7,856,403	754,102	7,615,794	36,457,276
Total liabilities and fund balances	\$ 22,512,718	\$ 1,305,525	\$ 13,865,421	\$ 8,588,222	\$ 3,177,359	\$ 18,139,267	\$ 67,588,512

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, 2020

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

Total fund balances – governmental funds	\$ 36,457,276
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.	80,557,132
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the governmental funds.	(45,462,945)
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 and OPEB	9,379,630
Deferred inflows of resources - pensions and OPEB	(2,097,292)
Net position of governmental activities	\$ 78,833,801

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, 2020

	General Fund	Fines and Forfeitures	Transportation Trust	Road Construction	Local Option Gas Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 944,993	\$ 10,175,302	\$ 4,077,701	\$ 570,488	\$ 2,358,020	\$ 3,295,020	\$ 21,421,524
Licenses and permits	2,616,851	-	100	-	-	-	2,616,951
Intergovernmental	6,284,758	-	49,584	2,133,038	-	21,690	8,489,070
Charges for services	5,647,591	170,817	-	-	-	701,085	6,519,493
Fines and forfeitures	239,848	25,884	-	-	-	48,500	314,232
Grants	14,082,673	-	405,564	9,175,073	-	2,411,024	26,074,334
Investment earnings	68,901	1,093	2,828	185	89	113,475	186,571
Other fees and miscellaneous revenues	344,130	101,788	100,777	-	-	180,010	726,705
Total revenues	30,229,745	10,474,884	4,636,554	11,878,784	2,358,109	6,770,804	66,348,880
Expenditures							
Current:							
General government	10,931,488	-	-	-	-	62,836	10,994,324
Public health and safety	11,394,671	4,769,110	-	-	-	579,748	16,743,529
Physical environment	365,225	-	-	-	-	91,245	456,470
Transportation	655,665	-	5,353,007	10,702,073	70,199	276,921	17,057,865
Economic environment	423,540	-	-	-	-	787,828	1,211,368
Human services	1,388,054	-	-	-	-	28,998	1,417,052
Culture/recreation	490,535	-	-	-	-	244,815	735,350
Court related	975,975	-	-	-	-	256,461	1,232,436
Capital outlay	1,466,915	14,936	1,102,416	-	-	1,644,606	4,228,873
Debt service:							
Principal	6,156,611	-	80,335	-	-	943,000	7,179,946
Interest and other charges	138,520	-	12,735	-	-	124,127	275,382
Total expenditures	34,387,199	4,784,046	6,548,493	10,702,073	70,199	5,040,585	61,532,595
Excess (deficiency) of revenues over (under) expenditures	(4,157,454)	5,690,838	(1,911,939)	1,176,711	2,287,910	1,730,219	4,816,285
Other financing sources (uses)							
Transfers in	8,330,905	208,070	2,756,372	1,513,571	250,000	1,444,935	14,503,853
Transfers out	(1,682,745)	(5,182,808)	(1,513,571)	(1,067,025)	(2,362,262)	(3,194,119)	(15,002,530)
Transfer to State of Florida	(152,604)	-	-	-	-	-	(152,604)
Insurance proceeds	261,775	-	-	-	-	-	261,775
Sale of capital assets	273,986	-	574,404	-	-	-	848,390
Loan proceeds	-	-	729,526	-	-	-	729,526
Net other financing sources (uses)	7,031,317	(4,974,738)	2,546,731	446,546	(2,112,262)	(1,749,184)	1,188,410
Net changes in fund balances	2,873,863	716,100	634,792	1,623,257	175,648	(18,965)	6,004,695
Fund balances - beginning	9,972,165	401,328	5,632,729	6,233,146	578,454	7,634,759	30,452,581
Fund balances - ending	\$ 12,846,028	\$ 1,117,428	\$ 6,267,521	\$ 7,856,403	\$ 754,102	\$ 7,615,794	\$ 36,457,276

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, 2020

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

Net change in fund balances - total governmental funds	\$ 6,004,695
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.	4,228,873
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.	(4,879,768)
The net effect of transactions involving capital assets (i.e. sales, transfers and donations) included in the governmental activities in the statement of activities.	(25,737)
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	7,179,946
Worker's compensation liability	113,333
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.	(729,526)
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:	
Other post employment benefit obligation	71,410
Landfill closure liability	19,947
Compensated absences	(77,012)
Pension expenses	(3,382,391)
Change in net position	\$ 8,523,770

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, 2020

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues				
Taxes	\$ 1,375,056	\$ 1,375,056	\$ 944,993	\$ (430,063)
Licenses and permits	1,986,024	2,596,024	2,616,851	20,827
Intergovernmental	6,584,262	6,604,372	6,284,758	(319,614)
Charges for services	5,288,594	5,252,887	5,647,591	394,704
Fines and forfeitures	296,750	258,697	239,848	(18,849)
Grants	231,032	9,837,392	14,082,673	4,245,281
Investment earnings	100,225	100,225	68,901	(31,324)
Other fees and miscellaneous revenues	289,026	564,026	344,130	(219,896)
Total revenues	16,150,969	26,588,679	30,229,745	3,641,066
Expenditures				
Current:				
General government	11,287,821	14,961,504	10,931,488	4,030,016
Public health and safety	10,561,164	11,140,401	11,394,671	(254,270)
Physical environment	415,826	433,326	365,225	68,101
Transportation	219,160	319,160	655,665	(336,505)
Economic environment	355,336	535,336	423,540	111,796
Human services	1,639,687	1,644,687	1,388,054	256,633
Culture and recreation	489,125	489,125	490,535	(1,410)
Court related	1,154,683	1,158,896	975,975	182,921
Capital outlay	1,371,990	2,406,559	1,466,915	939,644
Debt service	747,534	6,397,534	6,295,131	102,403
Total expenditures	28,242,326	39,486,528	34,387,199	5,099,329
Excess (deficiency) of revenues over (under) expenditures	(12,091,357)	(12,897,849)	(4,157,454)	8,740,395
Other financing sources (uses)				
Transfers in	10,281,500	10,702,406	8,330,905	(2,371,501)
Transfers out	(4,673,793)	(4,763,793)	(1,682,745)	3,081,048
Sale of capital assets	-	-	273,986	273,986
Insurance proceeds	-	-	261,775	261,775
Transfer to State of Florida	-	-	(152,604)	(152,604)
Net other financing sources (uses)	5,607,707	5,938,613	7,031,317	1,092,704
Net change in fund balance	(6,483,650)	(6,959,236)	2,873,863	9,833,099
Fund balance - beginning	9,972,165	9,972,165	9,972,165	-
Fund balance - ending	\$ 3,488,515	\$ 3,012,929	\$ 12,846,028	\$ 9,833,099

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, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 10,059,527	\$ 10,059,527	\$ 10,175,302	\$ 115,775
Charges for services	184,250	184,250	170,817	(13,433)
Fines and forfeitures	28,250	28,250	25,884	(2,366)
Grants	30,123	88,336	-	(88,336)
Investment earnings	2,500	2,500	1,093	(1,407)
Other fees and miscellaneous revenues	63,656	103,656	101,788	(1,868)
Total revenues	10,368,306	10,466,519	10,474,884	8,365
Expenditures				
Current:				
Public health and safety	5,318,288	5,383,288	4,769,110	614,178
Capital outlay	15,181	15,181	14,936	245
Total expenditures	5,333,469	5,398,469	4,784,046	614,423
Excess (deficiency) of revenues over (under) expenditures	5,034,837	5,068,050	5,690,838	622,788
Other financing sources (uses)				
Transfers in	225,500	275,500	208,070	(67,430)
Transfers out	(5,110,427)	(5,318,013)	(5,182,808)	135,205
Net other financing sources (uses)	(4,884,927)	(5,042,513)	(4,974,738)	67,775
Net change in fund balance	149,910	25,537	716,100	690,563
Fund balance - beginning	401,328	401,328	401,328	-
Fund balance - ending	\$ 551,238	\$ 426,865	\$ 1,117,428	\$ 690,563

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, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 4,400,000	\$ 4,400,000	\$ 4,077,701	\$ (322,299)
Licenses and taxes	-	-	100	100
Intergovernmental	50,551	50,551	49,584	(967)
Grants	4,000,000	4,000,000	405,564	(3,594,436)
Investment earnings	6,500	6,500	2,828	(3,672)
Other fees and miscellaneous revenues	5,000	580,000	100,777	(479,223)
Total revenues	8,462,051	9,037,051	4,636,554	(4,400,497)
Expenditures				
Current:				
Transportation	10,008,804	10,333,804	5,353,007	4,980,797
Capital outlay	507,000	507,000	1,102,416	(595,416)
Debt service	-	-	93,070	(93,070)
Total expenditures	10,515,804	10,840,804	6,548,493	4,292,311
Excess (deficiency) of revenues over (under) expenditures	(2,053,753)	(1,803,753)	(1,911,939)	(108,186)
Other financing sources (uses)				
Transfers in	2,817,806	2,817,806	2,756,372	(61,434)
Transfers out	(1,636,924)	(1,636,924)	(1,513,571)	123,353
Sale of capital assets	-	-	574,404	574,404
Loan proceeds	-	-	729,526	729,526
Net other financing sources (uses)	1,180,882	1,180,882	2,546,731	1,365,849
Net change in fund balance	(872,871)	(622,871)	634,792	1,257,663
Fund balance - beginning	5,632,729	5,632,729	5,632,729	-
Fund balance - ending	\$ 4,759,858	\$ 5,009,858	\$ 6,267,521	\$ 1,257,663

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, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 561,662	\$ 561,662	\$ 570,488	\$ 8,826
Intergovernmental	2,339,583	2,339,583	2,133,038	(206,545)
Grants	-	10,436,690	9,175,073	(1,261,617)
Investment earnings	500	500	185	(315)
Total revenues	2,901,745	13,338,435	11,878,784	(1,459,651)
Expenditures				
Current:				
Transportation	593,169	11,772,653	10,702,073	1,070,580
Capital outlay	8,078,373	7,325,579	-	7,325,579
Total expenditures	8,671,542	19,098,232	10,702,073	8,396,159
Excess (deficiency) of revenues over (under) expenditures	(5,769,797)	(5,759,797)	1,176,711	6,936,508
Other financing sources (uses)				
Transfers in	1,636,924	1,636,924	1,513,571	(123,353)
Transfers out	(1,067,127)	(1,077,127)	(1,067,025)	10,102
Net other financing sources (uses)	569,797	559,797	446,546	(113,251)
Net change in fund balance	(5,200,000)	(5,200,000)	1,623,257	6,823,257
Fund balance - beginning	6,233,146	6,233,146	6,233,146	-
Fund balance - ending	\$ 1,033,146	\$ 1,033,146	\$ 7,856,403	\$ 6,823,257

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

Jackson County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balance
Local Option Gas Tax Fund
Budget and Actual

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 2,437,511	\$ 2,437,511	\$ 2,358,020	\$ (79,491)
Investment earnings	200	200	89	(111)
Total revenues	2,437,711	2,437,711	2,358,109	(79,602)
Expenditures				
Current:				
General	-	-	70,199	(70,199)
Capital outlay	1,109,453	1,109,453	-	1,109,453
Total expenditures	1,109,453	1,109,453	70,199	1,039,254
Excess (deficiency) of revenues over (under) expenditures	1,328,258	1,328,258	2,287,910	959,652
Other financing sources (uses)				
Transfers in	500,000	500,000	250,000	(250,000)
Transfers out	(2,387,711)	(2,387,711)	(2,362,262)	25,449
Net other financing sources (uses)	(1,887,711)	(1,887,711)	(2,112,262)	(224,551)
Net change in fund balance	(559,453)	(559,453)	175,648	735,101
Fund balance - beginning	578,454	578,454	578,454	-
Fund balance - ending	\$ 19,001	\$ 19,001	\$ 754,102	\$ 735,101

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, 2020

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 55,177	\$ 98,713	\$ 153,890
Accounts receivable, net	124,020	40	124,060
Inventory	35,641	-	35,641
Due from other funds	242	94,946	95,188
Due from other governments	1,212,145	-	1,212,145
Total current assets	1,427,225	193,699	1,620,924
Noncurrent assets			
Restricted assets			
Cash and cash equivalents	74,425	-	74,425
Equity in pooled investments	49,254	-	49,254
Capital assets			
Nondepreciable	4,199,677	118,000	4,317,677
Depreciable, net	9,041,512	1,206,969	10,248,481
Total noncurrent assets	13,364,868	1,324,969	14,689,837
Total assets	14,792,093	1,518,668	16,310,761
Deferred outflows of resources			
Pension	71,686	61,992	133,678
Total deferred outflows of resources	71,686	61,992	133,678

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, 2020

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 169,371	\$ 37,149	\$ 206,520
Accrued interest payable	10,484	-	10,484
Due to other funds	466,906	-	466,906
Liabilities payable from restricted assets	44,158	1,590	45,748
Bonds payable - current	170,689	-	170,689
Total current liabilities	861,608	38,739	900,347
Noncurrent liabilities			
Revenue bonds payable	2,960,424	-	2,960,424
Notes payable	703,636	-	703,636
Other post employment benefit obligation	41,030	58,381	99,411
Net pension liability	270,409	184,369	454,778
Total noncurrent liabilities	3,975,499	242,750	4,218,249
Total liabilities	4,837,107	281,489	5,118,596
Deferred Inflows of resources			
Pensions	8,263	16,964	25,227
Total deferred inflows of resources	8,263	16,964	25,227
Net position			
Net investment in capital assets	9,305,472	1,303,389	10,608,861
Restricted for			
Debt service	69,037	-	69,037
Unrestricted (deficit)	643,900	(21,182)	622,718
Total net position	\$ 10,018,409	\$ 1,282,207	\$ 11,300,616

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, 2020

	BUSINESS -TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Operating revenues			
Charges for services	\$ 1,176,895	\$ 136,189	\$ 1,313,084
Total operating revenues	1,176,895	136,189	1,313,084
Operating expenses			
Personnel services	323,269	414,911	738,180
Utilities	148,760	19,377	168,137
Services and supplies	319,271	73,190	392,461
Repairs and maintenance	112,854	15,583	128,437
Other operating expenses	-	3,257	3,257
Depreciation	284,860	82,542	367,402
Total operating expenses	1,189,014	608,860	1,797,874
Net operating income (loss)	(12,119)	(472,671)	(484,790)
Nonoperating revenues (expenses)			
Interest income	9,911	7	9,918
Interest expense	(112,528)	-	(112,528)
Miscellaneous revenue	-	5,471	5,471
Total nonoperating revenues (expenses)	(102,617)	5,478	(97,139)
Income (loss) before contributions and transfers	(114,736)	(467,193)	(581,929)
Capital contributions	870,253	417,700	1,287,953
Transfers, net	-	498,677	498,677
Change in net position	755,517	449,184	1,204,701
Total net position - beginning	9,262,892	833,023	10,095,915
Total net position - ending	\$ 10,018,409	\$ 1,282,207	\$ 11,300,616

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, 2020

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS		
	Jackson Water/Sewer	Nonmajor Enterprise Funds	Total
Operating activities			
Receipts from customers and users	\$ 673,505	\$ 211,287	\$ 884,792
Payments to suppliers	(944,728)	(169,024)	(1,113,752)
Payments to employees	(248,068)	(345,020)	(593,088)
Net cash provided (used) by operating activities	(519,291)	(302,757)	(822,048)
Noncapital financing activities			
Transfers to/from other funds	-	498,677	498,677
Advance from/to other funds	82,823	45,273	128,096
Net cash provided (used) by noncapital financing activities	82,823	543,950	626,773
Capital and related financing activities			
Proceeds from capital debt	298,869	-	298,869
Capital contributions	870,253	417,700	1,287,953
Purchase of capital assets	(1,073,474)	(618,596)	(1,692,070)
Principal payments on capital debt	(164,408)	-	(164,408)
Interest payments on capital debt	(109,703)	-	(109,703)
Other receipts	-	5,470	5,470
Net cash (used) provided by capital and related financing activities	(178,463)	(195,426)	(373,889)
Investing activities			
Purchase of investments	(1,212)	-	(1,212)
Interest and dividends	9,911	8	9,919
Net cash provided by investing activities	8,699	8	8,707
Net increase (decrease) in cash and cash equivalents	(606,232)	45,775	(560,457)
Cash and cash equivalents - beginning of the year	734,045	52,938	786,983
Cash and cash equivalents - ending of the year	\$ 127,813	\$ 98,713	\$ 226,526
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash and cash equivalents	\$ 55,177	\$ 98,713	\$ 153,890
Restricted cash and cash equivalents	74,425	-	74,425
Total cash and cash equivalents	\$ 129,602	\$ 98,713	\$ 228,315

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, 2020

	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)	\$ (12,119)	\$ (472,671)	\$ (484,790)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	284,860	82,542	367,402
(Increase) decrease in accounts receivable	6,511	77,008	83,519
(Increase) decrease in due from other governments	(507,182)	-	(507,182)
(Increase) decrease in deposits	(2,719)	(1,910)	(4,629)
Increase (decrease) in accounts payable	(288,642)	12,274	(276,368)
		-	
Net cash provided (used) by operating activities	\$ (519,291)	\$ (302,757)	\$ (822,048)

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

Jackson County, Florida
Statement of Fiduciary Net Position
Agency Funds

September 30, 2020

	Agency Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 1,231,033
Due from other governmental units	5,870
<hr/>	
Total assets	\$ 1,236,903
<hr/> <hr/>	
Liabilities	
Due to others	\$ 785,450
Due to the Board	30,423
Due to other governments	421,030
<hr/>	
Total liabilities	\$ 1,236,903
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The accompanying notes are an integral part of these 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, 2020.

Reporting Entity

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County, as a whole, excluding fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. Individual funds are not displayed but the statement distinguishes governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net position for the fiscal year.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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.

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.

Local Option Gas Tax Fund – This fund accounts for the Board’s local option gas 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	\$ 1,073,767	\$ 3,319
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(3,319)	(3,319)
Budgetary basis	\$ 1,070,448	\$ -

Jackson County, Florida
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (continued)

Sheriff – 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:

Sheriff	Total Expenditures	Total Revenue and Other Financing Sources
GAAP basis	\$ 5,560,077	\$ 5,560,077
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the		
Grants, Reimbursements and Insurance	(311,152)	(311,152)
Budgetary basis	\$ 5,248,925	\$ 5,248,925

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.

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:

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

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

Unearned revenues

The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unearned revenues reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as unearned revenues.

Accumulated Compensated Absences

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

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

All full time employees of the County 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 County. 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, 2020 was \$1,350,524.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

For the year ended September 30, 2020, 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 28, 2021, 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83 (GASB 83), *Certain Asset Retirement Obligations*. 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 GASB 83. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. GASB 83 had no impact on the County's financial statements.

In March 2018, the GASB issued Statement No. 88 (GASB 88), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. See Note 9 for additional disclosures related to the implementation of GASB 88.

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the County's financial statements.

Pronouncements Issued But Not yet Effective

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probably, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not yet Effective (continued)

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

NOTE 2: PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The millage rate assessed by the County was 7.4450 mills.

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

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

All taxes become payable on November 1, of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are held by the County.

NOTE 3: CASH AND INVESTMENTS

At year end, the carrying amount of the County's deposits was \$38,953,278 and the bank balance was \$40,963,717. 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.

NOTE 3: CASH AND INVESTMENTS (Continued)

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

The County invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool (PRIME Fund). At September 30, 2020, the net realizable value and the carrying value of these funds was \$2,874,313. The funds are carried as equity in pooled investments on the balance sheet at September 30, 2020.

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

The PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the County's investment in PRIME is at amortized cost. Additional information and investment policies regarding the PRIME Fund may be obtained from the State Board of Administration at www.sbafl.com/prime. 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, 2020, 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, 2020, is 48 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, 2020, is 63 days.

Custodial Credit Risk

At September 30, 2020, the County did not hold any deposits or investments that were considered to have a custodial credit risk.

NOTE 3: CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

At September 30, 2020, the County did not hold any investments that were considered to have a concentration of credit risk.

Foreign Currency Risk

At September 30, 2020, 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, 2020, the County’s investments consisted of non-negotiable certificates of deposits which are recorded at cost and are excluded from fair value measurement.

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

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

NOTE 4: RESTRICTED ASSETS

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

	Amount
Vessel Fees	\$ 124,121
Total	\$ 124,121

The Transportation Trust Fund’s equity in pooled investments is restricted for the sick leave buyback program in the amount of \$238,962.

The Nonmajor Governmental funds’ cash is restricted for other programs in the amount of \$5,654,729.

Jackson County, Florida
Notes to Financial Statements

NOTE 4: RESTRICTED ASSETS (Continued)

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	\$ 69,037
Total	\$ 69,037

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 \$1,826,150 and are shown net of the allowance for doubtful accounts and contractual adjustments of \$1,531,242. 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 \$582,640 from franchise fees and royalties related to private landfills, \$261,775 related to insurance reimbursements receivable and reimbursement from the Counties health reimbursement account totaling \$221,844 and \$22,983 in miscellaneous receivables.

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

Jackson County, Florida
Notes to Financial Statements

NOTE 6: INTERFUND BALANCES

Balances due to/from other funds at September 30, 2020 are as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund		
General Fund	Nonmajor governmental funds:		
	Other special revenue funds	\$	669,945
	Proprietary funds:		
	Jackson County Utilities		466,906
	Agency funds		3,835
Transportation Trust	General Fund		1,373,150
	Local Option Gas Tax		2,423,257
	Nonmajor governmental funds:		
	Other special revenue funds		89,703
Fine and Forfeitures	General fund		123,571
	Nonmajor governmental funds:		
	Other special revenue funds		74,337
	Agency funds		2,284
Road Construction	General fund		980,201
	Transportation Trust		3,910,298
Local Option Gas Tax	General Fund		2,691,483
Jackson Recycling	General fund		30,680
	Nonmajor governmental funds:		
	Other special revenue funds		5,201
Parks and Recreation	General fund		59,065
Jackson County Utilities	Transportation Trust		242
Nonmajor governmental funds	General fund		136,763
	Road Construction		28,373
	Agency Funds		24,309
Total		\$	13,093,603

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, 2020, consisted of the following:

Transfers to General Fund from:		
Fines and Forfeitures	\$ 5,182,808	
Local Option Gas Tax	10,000	
Nonmajor Governmental funds	3,013,486	
Total		\$ 8,206,294
Transfers to Fines and Forfeiture from:		
Nonmajor Governmental fund	103,251	
Total		103,251
Transfers to Transportation Trust from:		
General Fund	430,095	
Local Option Gas Tax	2,326,277	
Total		2,756,372
Transfers to Local Option Gas Tax from:		
General Fund		250,000
Transfers to Road Construction from:		
Transportation Trust		1,513,571
Transfers to Nonmajor Governmental Funds from:		
General fund	1,002,650	
Road Construction	1,067,025	
Local Option Gas Tax	25,985	
Nonmajor Governmental funds	77,382	
Total		2,173,042
Subtotal		15,002,530
Transfers to Proprietary funds from:		
General fund		498,677
Total interfund transfers		\$ 15,501,207

Jackson County, Florida
Notes to Financial Statements

NOTE 6: INTERFUND BALANCES (Continued)

Transfers are used to (1) use fines and forfeiture revenues to finance sheriff's department expenses and use utility fees to finance general operating activities that are accounted for in general fund, (2) use revenue from inmate welfare fund to cover cost relating to inmate welfare expenses in other fund and use grant revenue to cover personnel expense of the Drug Task force, (3) use local option gas tax to cover road and bridge operating expenses, (4) transfer fiscally constrained revenue to fund road paving expenditures in local option gas tax fund, (5) use local option gas tax to cover road construction projects, (6) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in other special revenue funds, (7) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expense 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, 2020, but not yet received by the County. The majority of these amounts were received in October and November 2020.

NOTE 8: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2020, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 7,609,417	\$ 77,751	\$ 10,000	\$ 7,677,168
Construction in progress	3,373,737	1,898,225	4,544,235	727,727
Total capital assets, not being depreciated	10,983,154	1,975,976	4,554,235	8,404,895
Capital assets, being depreciated:				
Buildings and improvements	46,285,992	4,746,174	92,000	50,940,166
Equipment	23,879,865	2,050,958	1,804,782	24,126,041
Roads	57,691,052	-	-	57,691,052
Infrastructure - Sidewalks	2,012,774	-	-	2,012,774
Total capital assets, being depreciated	129,869,683	6,797,132	1,896,782	134,770,033
Less: Total accumulated depreciation	59,619,073	4,879,768	1,881,045	62,617,796
Total capital assets, being depreciated, net	70,250,610	1,917,364	15,737	72,152,237
Governmental activities capital assets, net	\$ 81,233,764	\$ 3,893,340	\$ 4,569,972	\$ 80,557,132

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	3,185,260	1,085,776	-	4,271,036
Total capital assets, not being depreciated	3,231,901	1,085,776	-	4,317,677
Capital assets, being depreciated:				
Equipment	15,789,638	606,660	82,525	16,313,773
Total capital assets, being depreciated	15,789,638	606,660	82,525	16,313,773
Less: Total accumulated depreciation	5,780,412	367,402	82,525	6,065,292
Total capital assets, being depreciated, net	10,009,226	239,258	-	10,248,481
Business-type activities capital assets, net	\$ 13,241,127	\$ 1,325,034	\$ -	\$ 14,566,158

Depreciation expense for the year ended September 30, 2020 was charged to functions as follows:

Governmental activities

General government	\$ 386,508
Public safety	968,779
Transportation	2,820,243
Culture and recreation	440,781
Human services	182,688
Court related	80,769
Total depreciation expense-governmental activities	\$ 4,879,768

Jackson County, Florida
Notes to Financial Statements

NOTE 8: CAPITAL ASSETS (Continued)

Business-type activities	
Water and sewer	\$ 284,860
Recycling	20,462
Parks and recreation	62,080
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Total depreciation expense-business-type activities	\$ 367,402

NOTE 9: LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2020, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
Revenue bonds from direct placement	\$ 5,987,000	\$ -	\$ 943,000	\$ 5,044,000	\$ 964,000
Notes payable from direct borrowings	7,856,906	-	5,998,906	1,858,000	303,000
Capital leases	2,505,821	729,526	238,040	2,997,307	304,959
Compensated absences	1,273,512	1,093,130	1,016,118	1,350,524	337,631
Other post-employment benefit obligations	3,105,000	396,590	-	3,501,590	-
Net pension liability	25,636,698	4,636,777	-	30,273,475	-
Other liabilities	196,666	-	64,172	132,494	49,161
Landfill closure and post-closure costs	374,663	-	19,947	354,716	50,000
<hr/>					
Total governmental activities:	46,936,266	6,856,023	8,280,183	45,512,106	2,008,751
<hr/>					
Business-type activities:					
Revenue bonds from direct placement	3,295,521	-	164,408	3,131,113	170,689
Notes payable from direct placement	404,767	298,869	-	703,636	-
Other post-employment benefit obligations	-	99,411	-	99,411	-
Net pension liability	390,407	64,371	-	454,778	-
<hr/>					
Total Business-type activities:	4,090,695	462,651	164,408	4,388,938	170,689

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 \$1,858,000 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 \$703,636 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 \$20,000,000.

Jackson County, Florida
Notes to Financial Statements

NOTE 9: LONG-TERM DEBT (Continued)

Debt service requirements on long-term debt at September 30, 2020 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES			
	REVENUE BONDS FROM DIRECT PLACEMENT		NOTES PAYABLE FROM DIRECT BORROWINGS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2021	\$ 964,000	\$ 108,101	\$ 303,000	\$ 4,063
2022	986,000	86,288	305,000	2,561
2023	1,008,000	63,979	250,000	1,600
2024	1,032,000	35,164	1,000,000	1,600
2025	1,054,000	17,821	-	-
Total	\$ 5,044,000	\$ 311,353	\$ 1,858,000	\$ 9,824

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES	
	PRINCIPAL	INTEREST
2021	\$ 304,959	\$ 75,235
2022	319,939	66,237
2023	335,516	56,821
2024	341,768	46,969
2025	264,149	37,758
2026-2030	1,161,079	112,897
2031-2032	269,897	6,154
Total	\$ 2,997,307	\$ 402,071

FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES			
	NOTES PAYABLE FROM DIRECT BORROWING		REVENUE BONDS FROM DIRECT PLACEMENT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2021	\$ -	\$ 2,744	\$ 170,689	\$ 85,071
2022	26,659	5,364	175,429	80,330
2023	26,659	5,197	180,301	75,458
2024	26,659	5,030	185,309	70,451
2025	26,659	4,861	190,456	65,304
2026-2030	133,295	22,074	1,034,620	244,176
2031-2035	463,705	21,290	1,194,309	92,297
Total	\$ 703,636	\$ 66,560	\$ 3,131,113	\$ 713,087

Jackson County, Florida
Notes to Financial Statements

NOTE 9: LONG-TERM DEBT (Continued)

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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 \$3,490,001 and the debt service requirements totaled \$1,072,431 for the year ended September 30, 2020.

\$ 5,044,000

Total revenue bonds from direct placement

\$ 5,044,000

Jackson County, Florida
Notes to Financial Statements

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. \$ 108,000

\$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 December 2023. The interest rate is the greater of the bank's price rate or a calculation based on federal funds rate, this rate was 0.16% at September 30, 2020. 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. 1,750,000

Total notes payable from direct borrowings \$ 1,858,000

Capital Leases

\$729,526 John Deere Equipment lease, payable in monthly installments of \$13,296 beginning March 2020 through February 2025, interest at 3/7%. Total assets acquired through this capital lease in the amount of \$729,526 are included in depreciable assets in the Statement of Net Position at September 30, 2020. \$ 649,191

\$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. 2,348,116

NOTE 9: LONG-TERM DEBT (Continued)

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, 2020. \$ 3,131,113

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 2021 through December 2050, interest at 0.78%, collateralized by gross annual revenues from the operations of the water and sewer system. 703,636

Total interest expense for the year ended September 30, 2020 was \$112,528 for the business-type activities and \$311,277 for the governmental activities. Interest paid during the year ended September 30, 2020 was \$357,805.

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.

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, 2020, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	10.00%	1.66%
Senior Management Service Class	27.29%	1.66%
Elected county officials' class	49.18%	1.66%
Special Risk	24.45%	1.66%
DROP	16.98%	1.66%

The employer's contributions for the year ended September 30, 2020, were \$1,988,545 to the FRS and \$225,995 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, 2020, the County reported a liability for its proportionate share of the net pension liabilities. The net pension liabilities were measured as of June 30, 2020, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation dated July 1, 2020. 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, 2020	\$ 25,939,799	\$ 4,788,454
Proportion at:		
Current measurement date	0.0598493	0.0392180
Prior measurement date	0.0623039	0.0408482

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, 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	\$ 992,769	\$ -	\$ 195,877	\$ (3,634)
Changes of assumptions	4,695,929	-	514,895	(278,430)
Net difference between projected and actual earnings on pension plan investments	1,544,481	-	3,823	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	418,934	(1,105,331)	51,366	(321,124)
County contributions subsequent to the measurement date	553,095	-	61,139	-
Total	\$ 8,205,208	\$ (1,105,331)	\$ 827,100	\$ (603,188)

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, 2020. 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 Years Ending June 30,</i>	FRS	HIS
2021	\$ 1,420,811	\$ 66,520
2022	2,164,696	37,967
2023	1,785,679	(27,414)
2024	1,001,313	17,945
2025	174,283	39,252
Thereafter	-	28,443
Total	\$ 6,546,782	\$ 162,713

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2020, was determined by an actuarial valuation dated July 1, 2020, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%

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, 2020 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 2020:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.9% to 6.8%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 3.5% to 3.21%.

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%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.8%. 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 3.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

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

Jackson County, Florida
Notes to Financial Statements

	FRS Net Pension Liability		
	Current		
	1% Decrease (5.80%)	Discount Rate (6.80%)	1% Increase (7.80%)
Governmental Employer's proportionate share of the net pension liability	\$ 40,808,462	\$ 25,555,890	\$ 12,816,876
Business-Type Employer's proportionate share of the net pension liability	\$ 613,038	\$ 383,909	\$ 192,539

Jackson County, Florida
Notes to Financial Statements

NOTE 11: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Sensitivity Analysis (continued)

	HIS Net Pension Liability		
	Current		
	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Governmental Employer's proportionate share of the net pension liability	\$ 5,453,317	\$ 4,717,585	\$ 4,115,390
Business-Type Employer's proportionate share of the net pension liability	\$ 81,922	\$ 70,869	\$ 61,823

Pension Plans' Fiduciary Net Position

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

NOTE 12: OTHER LIABILITIES

At September 30, 2020, other liabilities in the Statement of Net Position included \$45,000 associated with the settlement of an outstanding workers' compensation claim. The settlement will be paid in a remaining installment of \$45,000 due October 2021.

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, 2020, 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, 2020, other liabilities in the statement of net position also included \$38,333 payable for the purchase of an airplane hangar in 2019. This liability will be paid in one additional installment of \$38,333 due April 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, 2020, 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	\$	97,915
Total Non-Spendable Fund Balance		\$	97,915

Restricted Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Vessel fees	\$	124,121
	Total General Fund	\$	124,121
Special Revenue Fund	Nonmajor governmental funds		
	Gas Tax Bond Series 2014	1,355,840	
	Local Law Enforcement	145,886	
	Drug Court	34,640	
	Crime prevention	70,455	
	Courts Facility	27,518	
	JCTDC tax	2,897,936	
	Anti-drug abuse	27,179	
	Inmate Welfare Fund	144,249	
	Additional court costs	282,585	
	Contraband forfeitures	46,632	
	Modernization of public records	449,922	
	Total nonmajor governmental funds		5,482,842
Total Restricted Fund Balance			\$5,606,963

Jackson County, Florida
Notes to Financial Statements

NOTE 14: FUND BALANCE (Continued)

Committed Fund Balance:

Funds	Purpose	
General Fund	Funding for:	
	Sick Leave	295,772
	PY Carryforward	3,511,720
	Health department escrow	150,000
	Prior year Improvements	162,739
	Total General Fund	\$4,120,231
Special Revenue Fund	Funding for:	
	Transportation Trust	238,962
	Road Construction	7,856,403
	Nonmajor governmental funds	
	Compass Lake MSTU	666,723
	Court construction improvement	30,964
	Law library	3,673
	Law enforcement	20,187
	Mosquito control	30,553
	West Jackson County Dev. Authority	339,887
	Total nonmajor governmental funds	1,091,987
	Total Committed Fund Balance	\$13,307,583

Jackson County, Florida
Notes to Financial Statements

NOTE 14: FUND BALANCE (Continued)

Assigned Fund Balance:

Funds	Purpose		
General Fund	Funding for:		
	Administration Building Fund	\$2,838,874	
	BP settlement funds	228,284	
	Tax Deeds	60,857	
	Wellness funds	23,317	
	Technology Escrow	24,495	
	FLGRP Loan balance	460,041	
	Library donations	13,237	
	Total General Fund		\$3,649,105
Special Revenue Fund	Funding for:		
	Fines and Forfeitures		1,117,428
	Transportation Trust		5,930,644
	Local Option Gas Tax		754,102
	Nonmajor governmental funds		
	Utility Fee Fund	330,979	
	Jackson County Ag Complex	338,523	
	Other Debt Service	109,114	
	E911	137,553	
	Sheriff Aviation	71,721	
	Contraband forfeitures	10,711	
	Crime Prevention	3,155	
	Solid Waste Recycling Grant	404	
	Total nonmajor governmental funds		1,002,160
	Total Assigned Fund Balance		\$ 12,453,439

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 2019 amounts have been reclassified to conform with 2020 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, 2020, the amount of \$354,716 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, 2020, 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, 2020:

FDOT HGMP CR 162	\$ 38,767
FDOT SCOP CR162	1,949,558
Florida Springs Grant Indian Springs Extension	374,045
Florida Springs Grant Blue Springs Extension	298,915
FEMA DR4177 District 1 and 5 Roads	1,747,844
FEMA DR4177 District 2 and 4 Roads	1,492,529
FEMA DR4399 Administration and Lewis Building Repairs	547,208

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.

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 \$9 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 ambulances, ambulance remounts, decontamination trailer and vehicles; costing approximately \$1,000,000.

Litter Control Program

Subsequent to year end, the Board finalized a litter removal contract totaling \$294,063.

Endeavor Industrial Park

Subsequent to year end, approximately \$6 million in grants has been committed by various agencies towards the Endeavor Industrial Park.

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.

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.

Jackson County, Florida
Notes to Financial Statements

NOTE 21: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Membership – At September 30, 2020, 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

Participating employers	1
--------------------------------	----------

Funding Policy – A qualifying trust or agency fund has not been authorized by the Board. The Board negotiates the premium rates with BCBSFL. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2020 was \$181,554. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

Coverage	BCBS
Retiree	\$ 816.55
Retiree and Family	1,125.68
BlueMedicare (Retiree only)	361.01

OPEB Liabilities and OPEB Expense – At September 30, 2020, the County reported a liability of \$3,105,000 for the net OPEB liability. The net OPEB liability was measured as of October 1, 2019 for the employer fiscal year and reporting period October 1, 2019 to September 30, 2020, 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, 2020, the County recognized OPEB expense of \$256,000.

The significant components of Other Post Employment Benefits follows:

	Total OPEB Liability	OPEB Expense
Balance at October 1, 2019	\$ 3,105,000	\$ -
Service cost	139,000	139,000
Interest cost	122,000	122,000
Difference between expected and actual experience	(71,000)	(44,000)
Benefit Payments	(111,000)	-
Other changes	417,000	39,000
Balance as of fiscal year ended September 30, 2020	\$ 3,601,000	\$ 256,000

Jackson County, Florida
Notes to Financial Statements

NOTE 21: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

For the year ended September 30, 2020, under GASB 75 the County OPEB expense is \$256,000. The Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB as of September 30, 2020 from various sources are as follows:

	Outflows of Resources	Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (314,000)
Changes of assumptions or other inputs	370,000	(100,000)
Net difference between projected and actual investments	-	-
Employer contributions after Measurement Date but prior to fiscal year end	111,000	-
Total	\$ 481,000	\$ (414,000)

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

For the years ended September 30,

2021	\$	11,000
2022		11,000
2023		11,000
2024		11,000
2025		11,000
Thereafter		12,000
Total	\$	67,000

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	2.75%
Healthcare Cost Trend Rates	5.00%

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

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 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 (1.75%)	Current Discount Rate (2.75%)	1% increase (3.75%)
Net OPEB Liability	\$ 4,077,000	\$ 3,601,000	\$ 3,207,000

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the County’s proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (5.50%) or 1 percent point higher (7.50%) than the current healthcare cost trend rates:

	1% Decrease (5.50%)	Current Medical Trend (6.50%)	1% increase (7.50%)
Net OPEB Liability	\$ 3,454,000	\$ 3,601,000	\$ 3,778,000

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, 2020 was \$223,848.

Minimum future lease payments under operating leases as of September 30, 2020 and for each year until expiration are:

2021	\$ 523,723
2022	365,931
2023	97,901
2024	97,901
2025	88,364
Total minimum future lease payments	\$ 1,173,820

The County leases space to several governmental and not-for-profit organizations for zero or nominal rates, with leases expiring through 2022.

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

2021	\$ 179,727
2022	179,727
2023	142,262
2024	16,832
Total	\$ 518,548

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.

Jackson County, Florida
Schedule of Proportional Share of Net Pension Liability
Florida Retirement System (Last 8 Fiscal Years)

<i>As of and for the year ended June 30,</i>	2020	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.059849831	0.062303921%	0.063866000%	0.063900000%	0.065000000%	0.061300000%	0.060900000%	0.061060000%
County's proportionate share of the net pension liability (asset)	\$ 25,939,799	\$ 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	\$ 13,604,396	\$ 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	190.67%	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	78.85%	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 accompanying notes to required supplementary schedules and
accompanying Independent Auditors' Report*

Jackson County, Florida
Schedule of Contributions
Florida Retirement System (Last 8 Fiscal Years)

<i>As of and for the year ended September 30,</i>	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 1,988,545	\$ 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	(1,988,545)	(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	\$ 13,868,247	\$ 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	14.34%	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 accompanying notes to required supplementary schedules and
accompanying Independent Auditors' Report*

Jackson County, Florida
Schedule of Proportional Share of Net Pension Liability
Health Insurance Subsidy (Last 8 Fiscal Years)

<i>As of and for the year ended June 30,</i>	2020	2019	2018	2017	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	0.039218000%	0.040848175%	0.041920000%	0.041600000%	0.043000000%	0.042900000%	0.043000000%	0.043100000%
County's proportionate share of the net pension liability (asset)	\$ 4,788,454	\$ 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	\$ 13,604,396	\$ 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	35.20%	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	3.00%	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 accompanying notes to required supplementary schedules and
accompanying Independent Auditors' Report*

Jackson County, Florida
Schedule of Contributions
Health Insurance Subsidy (Last 8 Fiscal Years)

<i>As of and for the year ended September 30,</i>	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 225,995	\$ 226,826	\$ 227,335	\$ 221,719	\$ 220,151	\$ 163,871	\$ 147,329	\$ 311,200
Contributions in relation to the contractually required contribution	(225,995)	(226,826)	(227,335)	(221,719)	(220,151)	(163,871)	(147,329)	(311,200)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 13,868,247	\$ 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	1.63%	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 accompanying notes to required supplementary schedules and
accompanying 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>	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 139,000	\$ 152,000	\$ 148,000
Interest Cost	122,000	123,000	119,000
Changes in Benefit Terms	-	-	-
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(71,000)	(323,000)	-
Changes in assumptions	417,000	(128,000)	-
Benefit Payments	(111,000)	(155,000)	(146,000)
Other changes	-	-	-
Net change in total OPEB liability	496,000	(331,000)	121,000
Total OPEB Liability - beginning	3,105,000	3,436,000	3,315,000
Total OPEB Liability - ending (a)	3,601,000	3,105,000	3,436,000
Plan Fiduciary Net Position			
Contributions - employer	111,000	155,000	146,000
Benefit payments	(111,000)	(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)	\$ 3,601,000	\$ 3,105,000	\$ 3,436,000
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 15,100,000	\$ 15,100,000	\$ 16,050,000
Net OPEB liability as a percentage of covered payroll	23.85%	20.56%	21.41%
Contributions as a percentage of covered payroll	0.74%	1.03%	0.91%

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

*See accompanying notes to required supplementary schedules and
accompanying Independent Auditors' Report*

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2020

	Special Revenue Funds							
	Utility Fee Fund	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax	CDBG OONR	MSTU	Bond Series 2014
Assets								
Cash and cash equivalents	\$ 26,830	\$ 72,494	\$ -	\$ -	\$ -	\$ 5,000	\$ 584,078	\$ -
Equity in pooled investments	-	93,700	-	-	1,893,203	-	-	-
Restricted cash and cash equivalents	-	-	1,675,201	72,535	954,509	-	-	1,355,840
Accounts receivable	379,649	-	-	-	-	16,873	43,841	-
Due from other funds	-	-	-	-	-	-	83,766	28,373
Due from agency funds	-	-	-	12,559	-	-	-	-
Due from other governmental units	-	158,893	69	-	68,982	15,000	-	-
Total assets	\$ 406,479	\$ 325,087	\$ 1,675,270	\$ 85,094	\$ 2,916,694	\$ 36,873	\$ 711,685	\$ 1,384,213
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ 41,191	\$ 15,340	\$ 57,358	\$ 18,754	\$ 16,873	\$ 23,516	\$ 28,373
Due to other funds	75,500	146,342	79	218	-	20,000	21,446	-
Due to other governmental units	-	-	-	-	-	-	-	-
Unearned revenue	-	-	1,659,851	-	-	-	-	-
Total liabilities	75,500	187,533	1,675,270	57,576	18,754	36,873	44,962	28,373
Fund balances								
Restricted	-	-	-	27,518	2,897,940	-	-	1,355,840
Committed	-	-	-	-	-	-	666,723	-
Assigned	330,979	137,554	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	330,979	137,554	-	27,518	2,897,940	-	666,723	1,355,840
Total liabilities and fund balances	\$ 406,479	\$ 325,087	\$ 1,675,270	\$ 85,094	\$ 2,916,694	\$ 36,873	\$ 711,685	\$ 1,384,213

See Independent Auditors' Report

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2020

	Special Revenue Funds				Clerk Modernization Trust Fund
	JCSO Posse	JCSO Reserve Fund	JCSO Auxiliary Fund		
Assets					
Cash and cash equivalents	\$ 1,506	\$ 5,384	\$ 13,298	\$ -	-
Equity in pooled investments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	444,387	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	5,535
Due from agency funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Total assets	\$ 1,506	\$ 5,384	\$ 13,298	\$ 449,922	-
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	-
Due to other funds	-	-	-	-	-
Due to other governmental units	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	-	-	-
Fund balances					
Restricted	-	-	-	449,922	-
Committed	1,506	5,384	13,298	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,506	5,384	13,298	449,922	-
Total liabilities and fund balances	\$ 1,506	\$ 5,384	\$ 13,298	\$ 449,922	-

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2020

	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	\$ 4,644	\$ -	\$ -	\$ -	\$ -	\$ 10,711	\$ 157,108	
Equity in pooled investments	-	-	-	-	-	-	-	
Restricted cash and cash equivalents	-	141,512	34,640	3,327	270,523	-	-	
Accounts receivable	-	-	-	-	-	-	-	
Due from other funds	-	-	-	-	-	-	20,000	
Due from agency funds	-	4,374	-	14	-	-	-	
Due from other governmental units	-	-	-	-	-	-	-	
Total assets	\$ 4,644	\$ 145,886	\$ 34,640	\$ 3,341	\$ 270,523	\$ 10,711	\$ 177,108	
Liabilities								
Accounts payable and accrued expenses	\$ 53	\$ -	\$ -	\$ -	\$ 3,318	\$ -	\$ 16,933	
Due to other funds	918	-	-	-	-	-	-	
Due to other governmental units	-	-	-	-	-	-	-	
Unearned revenue	-	-	-	-	267,205	-	129,623	
Total liabilities	971	-	-	-	270,523	-	146,556	
Fund balances								
Restricted	-	145,886	34,640	3,341	-	-	-	
Committed	3,673	-	-	-	-	-	30,552	
Assigned	-	-	-	-	-	10,711	-	
Unassigned	-	-	-	-	-	-	-	
Total fund balances	3,673	145,886	34,640	3,341	-	10,711	30,552	
Total liabilities and fund balances	\$ 4,644	\$ 145,886	\$ 34,640	\$ 3,341	\$ 270,523	\$ 10,711	\$ 177,108	

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2020

	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	\$ -	\$ -	\$ -	\$ 8,275	\$ 346,191	\$ 1,172	\$ -
Equity in pooled investments	-	-	-	-	-	-	-
Restricted cash and cash equivalents	136,762	32,117	41,502	-	-	-	3,756
Accounts receivable	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Due from other funds	-	3	756	8,815	-	6,618	-
Due from agency funds	-	-	606	4,360	-	-	-
Due from other governmental units	-	-	-	-	-	-	-
Total assets	\$ 136,762	\$ 32,120	\$ 42,864	\$ 21,450	\$ 346,191	\$ 7,790	\$ 3,756
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 21,450	\$ -	\$ 7,764	\$ -
Due to other funds	83,766	-	-	-	6,618	26	-
Due to other governmental units	49,841	-	-	-	-	-	-
Unearned revenue	-	7,870	-	-	1,050	-	3,756
Total liabilities	133,607	7,870	-	21,450	7,668	7,790	3,756
Fund balances							
Restricted	-	24,250	42,864	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	3,155	-	-	-	338,523	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	3,155	24,250	42,864	-	338,523	-	-
Total liabilities and fund balances	\$ 136,762	\$ 32,120	\$ 42,864	\$ 21,450	\$ 346,191	\$ 7,790	\$ 3,756

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2020

	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	\$ -	\$ 7,038	\$ 25,375	\$ 31,006	\$ 38,656	\$ 71,449	\$ 339,887	
Equity in pooled investments	-	-	-	-	-	-	-	
Restricted cash and cash equivalents	-	-	-	-	-	-	-	
Accounts receivable	-	-	-	-	350	-	-	
Due from other funds	-	-	-	-	-	-	-	
Due from agency funds	-	-	-	-	-	-	-	
Due from other governmental units	-	37,228	46,271	-	-	1,140	-	
Total assets	\$ -	\$ 44,266	\$ 71,646	\$ 31,006	\$ 39,006	\$ 72,589	\$ 339,887	
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ 9,886	\$ 3,188	\$ 42	\$ 206	\$ -	-	
Due to other funds	-	34,380	68,054	-	-	869	-	
Due to other governmental units	-	-	-	-	-	-	-	
Unearned revenue	-	-	-	-	-	-	-	
Total liabilities	-	44,266	71,242	42	206	869	-	
Fund balances								
Restricted	-	-	-	-	-	-	-	
Committed	-	-	-	30,964	-	-	339,887	
Assigned	-	-	404	-	-	71,720	-	
Unassigned	-	-	-	-	38,800	-	-	
Total fund balances	-	-	404	30,964	38,800	71,720	339,887	
Total liabilities and fund balances	\$ -	\$ 44,266	\$ 71,646	\$ 31,006	\$ 39,006	\$ 72,589	\$ 339,887	

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2020

	Special Revenue Funds					
	Jackson County Agriculture Center	Additional Court Cost Fund	HHRP Fund	DEO-Job Growth Fund	Accounts Payable Clearing Fund	Drug Task Force Operating
Assets						
Cash and cash equivalents	\$ 2,910	\$ -	\$ 7,148,268	\$ 1,000	\$ 515,603	\$ -
Equity in pooled investments	-	-	-	-	-	-
Restricted cash and cash equivalents	-	284,548	-	-	-	22,917
Accounts receivable	-	-	-	-	-	-
Due from other funds	6,088	918	-	-	1	4,262
Due from agency funds	-	2,396	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Total assets	\$ 8,998	\$ 287,862	\$ 7,148,268	\$ 1,000	\$ 515,604	\$ 27,179
Liabilities						
Accounts payable and accrued expenses	\$ 7,268	\$ 5,277	\$ -	\$ -	\$ 153,174	\$ -
Due to other funds	-	-	-	-	362,430	-
Due to other governmental units	-	-	-	1,000	-	-
Unearned revenue	1,730	-	7,148,268	-	-	-
Total liabilities	8,998	5,277	7,148,268	1,000	515,604	-
Fund balances						
Restricted	-	282,585	-	-	-	27,179
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	-	282,585	-	-	-	27,179
Total liabilities and fund balances	\$ 8,998	\$ 287,862	\$ 7,148,268	\$ 1,000	\$ 515,604	\$ 27,179

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Jackson County, Florida
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2020

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		Total
	Inmate	Sheriff	Debt	Non-Major	
	Welfare Fund	Contraband Fund	Service Fund	Governmental Funds	Funds
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	9,417,883
Equity in pooled investments	-	-	109,114	-	2,096,017
Restricted cash and cash equivalents	134,021	46,632	-	-	5,654,729
Accounts receivable	12,898	-	-	-	453,611
Due from other funds	-	-	-	-	165,135
Due from agency funds	-	-	-	-	24,309
Due from other governmental units	-	-	-	-	327,583
Total assets	\$ 146,919	\$ 46,632	\$ 109,114	\$ -	\$ 18,139,267
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	429,964
Due to other funds	2,669	-	-	-	823,315
Due to other governmental units	-	-	-	-	50,841
Unearned revenue	-	-	-	-	9,219,353
Total liabilities	2,669	-	-	-	10,523,473
Fund balances					
Restricted	144,250	46,632	-	-	5,482,847
Committed	-	-	-	-	1,091,987
Assigned	-	-	109,114	-	1,002,160
Unassigned	-	-	-	-	38,800
Total fund balances	144,250	46,632	109,114	-	7,615,794
Total liabilities and fund balances	\$ 146,919	\$ 46,632	\$ 109,114	\$ -	\$ 18,139,267

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

For the year ended September 30, 2020

	Special Revenue Funds							
	Utility Fee Fund	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Development Tourist Tax	CDBG OONR	MSTU	Gas Tax Bond Series 2014
Revenues								
Taxes	\$ 2,867,249	\$ -	\$ -	\$ -	\$ 383,930	\$ -	\$ 43,841	\$ -
Intergovernmental	-	-	-	-	600	-	-	-
Charges for services	-	225,600	-	144,688	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Grants	-	191,280	346,866	1,000,000	-	15,000	-	-
Investment earnings	63,764	1,099	15,054	18	28,860	-	-	1,084
Other fees and miscellaneous revenues	-	-	14,878	-	23,467	-	-	2,386
Total revenues	2,931,013	417,979	376,798	1,144,706	436,857	15,000	43,841	3,470
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public health and safety	-	191,280	-	-	-	-	10,234	-
Physical environment	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	276,921	-
Economic environment	-	-	376,798	-	209,705	15,000	-	-
Human services	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-
Court related	-	-	-	78,273	-	-	-	-
Capital outlay	-	-	-	1,314,999	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	943,000
Interest and other charges	-	-	-	-	-	-	-	124,127
Total expenditures	-	191,280	376,798	1,393,272	209,705	15,000	287,155	1,067,127
Excess (deficiency) of revenues over (under) expenditures	2,931,013	226,699	-	(248,566)	227,152	-	(243,314)	(1,063,657)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	1,067,025
Transfers out	(2,775,500)	(209,132)	-	(42,750)	-	-	-	-
Net other financing sources (uses)	(2,775,500)	(209,132)	-	(42,750)	-	-	-	1,067,025
Net change in fund balances	155,513	17,567	-	(291,316)	227,152	-	(243,314)	3,368
Fund balances - beginning	175,466	119,987	-	318,834	2,670,788	-	910,037	1,352,472
Fund balances - ending	\$ 330,979	\$ 137,554	\$ -	\$ 27,518	\$ 2,897,940	\$ -	\$ 666,723	\$ 1,355,840

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Jackson County, Florida

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

For the year ended September 30, 2020

	Special Revenue Funds			
	JCSO Posse	JCSO Reserve Fund	JCSO Auxiliary Fund	Clerk Modernization Trust Fund
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	66,613
Fines and forfeitures	-	-	-	-
Grants	-	-	-	-
Investment earnings	-	-	-	142
Other fees and miscellaneous revenues	-	1,301	-	-
Total revenues	-	1,301	-	66,755
Expenditures				
Current:				
General government	-	-	-	2,375
Public health and safety	-	1,633	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Human services	-	-	-	-
Culture/recreation	-	-	-	-
Court related	-	-	-	6,675
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	-	1,633	-	9,050
Excess (deficiency) of revenues over (under) expenditures	-	(332)	-	57,705
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(332)	-	57,705
Fund balances - beginning	1,506	5,716	13,298	392,217
Fund balances - ending	\$ 1,506	\$ 5,384	\$ 13,298	\$ 449,922

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Jackson County, Florida

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

For the year ended September 30, 2020

	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	-	-	-	341	-	-	-
Fines and forfeitures	176	46,641	694	-	-	-	-
Grants	-	-	-	-	131,454	-	5,666
Investment earnings	-	-	-	-	22	-	12
Other fees and miscellaneous revenues	-	-	-	-	-	-	-
Total revenues	176	46,641	694	341	131,476	-	5,678
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public health and safety	-	1,404	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	20,790
Culture/recreation	-	-	-	-	131,476	-	-
Court related	4,046	-	145	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	4,046	1,404	145	-	131,476	-	20,790
Excess (deficiency) of revenues over (under) expenditures	(3,870)	45,237	549	341	-	-	(15,112)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	20,000
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	20,000
Net change in fund balances	(3,870)	45,237	549	341	-	-	4,888
Fund balances - beginning	7,543	100,649	34,091	3,000	-	10,711	25,664
Fund balances - ending	\$ 3,673	\$ 145,886	\$ 34,640	\$ 3,341	\$ -	\$ 10,711	\$ 30,552

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Jackson County, Florida

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

For the year ended September 30, 2020

	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	-	-	9,329	52,304	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	234,179
Investment earnings	1,161	288	5	1	-	-	4
Other fees and miscellaneous revenues	-	-	-	-	120,059	-	-
Total revenues	1,161	288	9,334	52,305	120,059	-	234,183
Expenditures							
Current:							
General government	-	-	-	-	-	60,461	-
Public health and safety	-	-	-	-	-	-	33,177
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-
Court related	-	-	-	91,120	-	-	-
Capital outlay	-	-	-	-	-	16,921	292,091
Debt service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Total expenditures	-	-	-	91,120	-	77,382	325,268
Excess (deficiency) of revenues over (under) expenditures	1,161	288	9,334	(38,815)	120,059	(77,382)	(91,085)
Other financing sources (uses)							
Transfers in	-	3,200	-	38,815	-	77,382	91,085
Transfers out	-	(28,854)	-	-	(77,382)	-	-
Net other financing sources (uses)	-	(25,654)	-	38,815	(77,382)	77,382	91,085
Net change in fund balances	1,161	(25,366)	9,334	-	42,677	-	-
Fund balances - beginning	1,994	49,616	33,530	-	295,846	-	-
Fund balances - ending	\$ 3,155	\$ 24,250	\$ 42,864	\$ -	\$ 338,523	\$ -	-

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Jackson County, Florida

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

For the year ended September 30, 2020

	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	-	-	-	-	-	21,090	-	-
Charges for services	-	-	-	-	11,008	-	-	-
Fines and forfeitures	-	-	-	18	-	-	-	-
Grants	3,489	159,970	87,757	-	-	-	-	-
Investment earnings	-	-	-	3	-	-	-	-
Other fees and miscellaneous revenues	-	-	-	-	925	-	-	13,688
Total revenues	3,489	159,970	87,757	21	11,933	21,090	13,688	
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public health and safety	-	202,121	-	-	-	30,495	-	-
Physical environment	3,489	-	87,756	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Economic environment	-	-	-	-	5,021	-	-	62
Human services	-	-	-	-	-	-	-	-
Culture/recreation	-	-	-	-	-	-	-	-
Court related	-	-	-	739	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-
Total expenditures	3,489	202,121	87,756	739	5,021	30,495	62	
Excess (deficiency) of revenues over (under) expenditures	-	(42,151)	1	(718)	6,912	(9,405)	13,626	
Other financing sources (uses)								
Transfers in	-	42,151	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	-	42,151	-	-	-	-	-	-
Net change in fund balances	-	-	1	(718)	6,912	(9,405)	13,626	
Fund balances - beginning	-	-	403	31,682	31,888	81,125	326,261	
Fund balances - ending	\$ -	\$ -	404	\$ 30,964	\$ 38,800	\$ 71,720	\$ 339,887	

See Independent Auditors' Report

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Jackson County, Florida

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

For the year ended September 30, 2020

	Special Revenue Funds					
	Jackson County Agriculture Center	Additional Court Cost Fund	HHRP Fund	DEO-Job Growth Fund	Accounts Payable Clearing Fund	Drug Task Force Operating
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	-	-	-	-	-	-
Charges for services	7,309	32,832	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Grants	-	-	66,732	114,000	-	54,631
Investment earnings	-	-	510	-	-	-
Other fees and miscellaneous revenues	753	-	-	-	-	2,553
Total revenues	8,062	32,832	67,242	114,000	-	57,184
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public health and safety	-	-	-	-	-	46,733
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	67,242	114,000	-	-
Human services	-	8,208	-	-	-	-
Culture/recreation	113,339	-	-	-	-	-
Court related	-	75,463	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	113,339	83,671	67,242	114,000	-	46,733
Excess (deficiency) of revenues over (under) expenditures	(105,277)	(50,839)	-	-	-	10,451
Other financing sources (uses)						
Transfers in	105,277	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net other financing sources (uses)	105,277	-	-	-	-	-
Net change in fund balances	-	(50,839)	-	-	-	10,451
Fund balances - beginning	-	333,424	-	-	-	16,728
Fund balances - ending	\$ -	\$ 282,585	\$ -	\$ -	\$ -	\$ 27,179

See Independent Auditors' Report

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Jackson County, Florida

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

For the year ended September 30, 2020

	Special Revenue Funds		Debt Service Funds		Total Non-Major Governmental Funds
	Inmate Welfare Fund	Sheriff Contraband Fund	Other Debt Service Funds		
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	3,295,020
Intergovernmental	-	-	-	-	21,690
Charges for services	151,061	-	-	-	701,085
Fines and forfeitures	-	971	-	-	48,500
Grants	-	-	-	-	2,411,024
Investment earnings	-	169	1,279	-	113,475
Other fees and miscellaneous revenues	-	-	-	-	180,010
Total revenues	151,061	1,140	1,279	-	6,770,804
Expenditures					
Current:					
General government	-	-	-	-	62,836
Public health and safety	56,875	5,796	-	-	579,748
Physical environment	-	-	-	-	91,245
Transportation	-	-	-	-	276,921
Economic environment	-	-	-	-	787,828
Human service	-	-	-	-	28,998
Culture/recreation	-	-	-	-	244,815
Court related	-	-	-	-	256,461
Capital outlay	-	20,595	-	-	1,644,606
Debt service					
Principal	-	-	-	-	943,000
Interest and other charges	-	-	-	-	124,127
Total expenditures	56,875	26,391	-	-	5,040,585
Excess (deficiency) of revenues over (under) expenditures	94,186	(25,251)	1,279	-	1,730,219
Other financing sources (uses)					
Transfers in	-	-	-	-	1,444,935
Transfers out	(60,501)	-	-	-	(3,194,119)
Net other financing sources (uses)	(60,501)	-	-	-	(1,749,184)
Net change in fund balances	33,685	(25,251)	1,279	-	(18,965)
Fund balances - beginning	110,565	71,883	107,835	-	7,634,759
Fund balances - ending	\$ 144,250	\$ 46,632	\$ 109,114	\$ -	\$ 7,615,794

See Independent Auditors' Report

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

September 30, 2020

	Parks and Recreation	Jackson Recycling	Total Nonmajor Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 7,168	\$ 91,545	\$ 98,713
Accounts receivable, net	40	-	40
Due from other funds	59,065	35,881	94,946
Total current assets	66,273	127,426	193,699
Noncurrent assets			
Capital assets			
Nondepreciable	76,359	41,641	118,000
Depreciable, net	1,146,891	60,078	1,206,969
Total noncurrent assets	1,223,250	101,719	1,324,969
Total assets	1,289,523	229,145	1,518,668
Deferred outflows of resources			
Pensions	47,472	14,520	61,992
Total deferred outflows of resources	47,472	14,520	61,992
Liabilities			
Current liabilities			
Accounts payable	34,841	2,308	37,149
Liabilities payable from restricted assets	1,590	-	1,590
Total current liabilities	36,431	2,308	38,739
Noncurrent liabilities			
Other post employment benefit obligation	57,873	508	58,381
Net pension liability	135,204	49,165	184,369
Total noncurrent liabilities	193,077	49,673	242,750
Total liabilities	229,508	51,981	281,489
Deferred Inflows of resources			
Pensions	14,172	2,792	16,964
Total deferred inflows of resources	14,172	2,792	16,964
Net position			
Net investment in capital assets	1,223,250	101,719	1,324,969
Restricted for			
Unrestricted (deficit)	(129,935)	87,173	(42,762)
Total net position	\$ 1,093,315	\$ 188,892	\$ 1,282,207

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, 2020

	Parks and Recreation	Jackson Recycling	Total Nonmajor Enterprise Total
Operating revenues			
Charges for services	\$ 125,644	\$ 10,545	\$ 136,189
Total operating revenues	125,644	10,545	136,189
Operating expenses			
Personal services	383,338	31,573	414,911
Utilities	19,377	-	19,377
Services and supplies	47,195	25,995	73,190
Repairs and maintenance	15,583	-	15,583
Other operating expenses	1,621	1,636	3,257
Depreciation	62,080	20,462	82,542
Total operating expenses	529,194	79,666	608,860
Net operating income (loss)	(403,550)	(69,121)	(472,671)
Nonoperating revenues (expenses)			
Interest income	7	-	7
Miscellaneous revenue	4,463	1,008	5,471
Total nonoperating revenues (expenses)	4,470	1,008	5,478
Income (loss) before contributions and transfers	(399,080)	(68,113)	(467,193)
Capital contributions	417,700	-	417,700
Transfers, net	467,997	30,680	498,677
Change in net position	486,617	(37,433)	449,184
Total net position - beginning	606,698	226,325	833,023
Total net position - ending	\$ 1,093,315	\$ 188,892	\$ 1,282,207

See Independent Auditors' Report

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

For the year ended September 30, 2020

	Parks and Recreation	Jackson Recycling	Total
Operating activities			
Receipts from customers and users	\$ 200,417	\$ 10,870	\$ 211,287
Payments to suppliers	(137,925)	(31,099)	(169,024)
Payments to employees	(331,427)	(13,593)	(345,020)
Net cash provided (used) by operating activities	(268,935)	(33,822)	(302,757)
Noncapital financing activities			
Transfers to/from other funds	467,997	30,680	498,677
Advance from/to other funds	172	45,101	45,273
Net cash provided (used) by noncapital financing activities	468,169	75,781	543,950
Capital and related financing activities			
Capital contributions	417,700	-	417,700
Purchase of capital assets	(618,596)	-	(618,596)
Proceeds from sale of fixed assets	-	-	-
Other receipts	4,463	1,007	5,470
Net cash (used) provided by capital and related financing activities	(196,433)	1,007	(195,426)
Investing activities			
Interest and dividends	8	-	8
Net cash provided by investing activities	8	-	8
Net increase (decrease) in cash and cash equivalents	2,809	42,966	45,775
Cash - beginning of the year	4,351	48,587	52,938
Cash - ending of the year	\$ 7,160	\$ 91,553	\$ 98,713
Reconciliation of net operating income to net cash (used) provided by operating activities			
Net operating income (loss)	\$ (403,550)	\$ (69,121)	\$ (472,671)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	62,080	20,462	82,542
(Increase) decrease in accounts receivable	76,683	325	77,008
(Increase) decrease in deposits	(1,910)	-	(1,910)
Increase (decrease) in accounts payable	(2,238)	14,512	12,274
Net cash provided (used) by operating activities	\$ (268,935)	\$ (33,822)	\$ (302,757)

See Independent Auditors' Report

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

September 30, 2020

	<i>Clerk of the Circuit Court</i>				<i>Board</i>
	Fine and Forfeiture	Jury and Witness	Cash Bonds	Registry	Inmate Welfare
Assets					
Cash and cash equivalents	\$ 255,290	\$ 7,898	\$ 169,756	\$ 326,298	\$ 18,231
Due from other governmental units	5,870	-	-	-	-
Total assets	\$ 261,160	\$ 7,898	\$ 169,756	\$ 326,298	\$ 18,231
Liabilities					
Due to others	\$ 230,737	\$ 7,898	\$ 169,756	\$ 326,298	\$ 18,231
Due to other funds	30,423	-	-	-	-
Due to other governments	-	-	-	-	-
Total liabilities	\$ 261,160	\$ 7,898	\$ 169,756	\$ 326,298	\$ 18,231

See Independent Auditors' Report

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

September 30, 2020

	<i>Tax Collector</i>					<i>Sheriff</i>	Total
	Credit Cards	License and Boat	Tag	Tax	Driver's License	Trust Account	Agency Funds
Assets							
Cash and cash equivalents	\$ 26,029	\$ 71	\$ 30,498	\$ 355,437	\$ 8,995	\$ 32,530	\$ 1,231,033
Due from other governmental units	-	-	-	-	-	-	5,870
Total assets	\$ 26,029	\$ 71	\$ 30,498	\$ 355,437	\$ 8,995	\$ 32,530	\$ 1,236,903
Liabilities							
Due to others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,530	\$ 785,450
Due to other funds	-	-	-	-	-	-	30,423
Due to other governments	26,029	71	30,498	355,437	8,995	-	421,030
Total liabilities	\$ 26,029	\$ 71	\$ 30,498	\$ 355,437	\$ 8,995	\$ 32,530	\$ 1,236,903

See Independent Auditors' Report

**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, 2020, 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 28, 2021.

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) as a basis for designing 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 deficiency listed as Board 2020-001 described in the accompanying schedule of findings and questioned cost to be a significant deficiency.

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 financial statements. 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 2020-002.

We also noted other certain matters that were reported to the management of the County in a separate letter dated June 28, 2021.

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.

Cary Riggs & Ingram, L.L.C.

Marianna, Florida
June 28, 2021

**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, 2020. 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 term 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, 2020.

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 2020-002, 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.

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

Marianna, Florida
June 28, 2021

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

For the year ended September 30, 2020

Federal Agency Pass through entity Federal Program	CFDA Number	Grant/ Contract Number	Expenditures	Passed to Subrecipients
US Department of Homeland Security, Federal Emergency Management Agency				
Pass through Florida Executive Office of Governor				
Emergency Management Performance Grants	97.042	G0026	\$ 36,909	\$ -
Homeland Security Grant Program	97.067	G0169	13,862	-
Disaster Grants-Public Assistance (Presidentially Declared Disasters)				
Florida DR-4177 Spring Flood	97.036	15-SP-8Z-02-42-02-526	304,174	-
Florida DR-4399 Michael	97.036	Z0842	2,307,566	-
Florida DR-4399 Michael	97.036	Z0926	131,623	-
Florida DR-4564 Sally	97.036	Z2584	19,778	-
Total Disaster Grants			2,763,141	-
Hazard Mitigation Grant (HMGP) - DR-4177-38-R	97.039	20HM-4177-32-H4-H0187	371,758	-
Total US Department of Homeland Security, Federal Emergency Management Agency			3,185,670	-
United States Department of Agriculture				
Pass through Florida Department of Economic Opportunity				
Community Development Block Grants	14.228	20DB-OK-02-41-01-E03	15,000	-
Total United States Department of Agriculture			15,000	-
United States Federal Elections Administration				
Pass through Florida Department of State, Division of Elections				
Help America Vote Act Requirement Payments Program				
Federal Election Activities	90.401	19.C.FA.000.287	9,482	-
Federal Election Activities	90.401	20.E.EC.000.031	34,299	-
Total Help America Vote Act Requirement Payments Program			43,781	-
COVID-19 - 2018 HAVA Election Security Grants	90.404	20.E.CS.000.031	68,407	-
Total United States Federal Elections Administration			112,188	-
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	271,054	-
Total United States Environmental Protection Agency			271,054	-

*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, 2020

Federal Agency Pass through entity Federal Program	CFDA Number	Grant/ Contract Number	Expenditures	Passed to Subrecipients
US Department of Health and Human Services, Administration for Children and Families				
Pass through Florida Department of Revenue, Child Support Enforcement Program				
Child Support Enforcement	93.563	CD332	115,843	-
Total US Department of Health and Human Services, Administration for Children & Families			115,843	-
United States Department of Justice				
Pass through Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program				
Anti-Drug Abuse Act Funds	16.738	2019-JAGC-JACK-1-N2-109	20,902	-
Anti-Drug Abuse Act Funds	16.738	2020-JAGD-JACK-3-Y6-008	6,636	-
Anti-Drug Abuse Act Funds	16.738	2020-JAGC-JACK-1-Y5-021	27,093	-
Total Edward Byrne Memorial Justice Assistance Grant Program			54,631	-
Equitable Sharing Program	16.922	FL0320000	28,854	-
Total United States Department of Justice			83,485	-
United States Department of Treasury				
Pass through Florida Division of Emergency Management				
COVID-19 - Coronavirus Relief Fund	21.019	Y2294	5,465,026	987,307
Pass through Florida Housing Finance Corporation				
COVID-19 - Coronavirus Relief Fund	21.019	065-2020	2,340	-
Total United States Department of Treasury			5,467,366	987,307
Total Expenditures of Federal Awards			\$ 9,250,606	\$ 987,307

Note: The schedule includes \$446,970 of expenditures that were incurred in the prior year for the Florida DR-4399 Michael Disaster Grant, CFDA 97.036, contract Z0842.

*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, 2020

State Agency Pass through entity State Financial Assistance Projects	CSFA Number	Grant/ Contract Number	Expenditures	Passed to Subrecipients
Florida Department of Transportation				
Small County Outreach Program (SCOP)				
Hunter Fish Camp	55.009	G1015	\$ 701,777	\$ -
CR278	55.009	G1016	1,367,729	-
CR162	55.009	G1019	5,400,296	-
Jackson Road	55.009	G1022	936,824	-
CR264A Mockingbird Road	55.009	G1J51	79,763	-
Total Small County Outreach Program (SCOP)			8,486,389	-
Small County Road Assistance Program (SCRAP)				
Browntown	55.016	G1B61	119,500	-
Southern Blvd	55.016	G1J46	127,300	-
Longview	55.016	G1J84	70,126	-
Total Small County Road Assistance Program (SCRAP)			316,926	-
Total Florida Department of Transportation			8,803,315	-
Florida Housing Finance Corporation				
State Housing Initiatives Partnership Program (SHIP)				
	40.901	n/a	259,714	-
Hurricane Housing Recovery Program (HHRP)				
Disaster Recovery Funding	40.902	n/a	84,812	-
Hurricane Housing Recovery Program	40.902	854-2020	66,732	-
Total Hurricane Housing Recovery Program (HHRP)			151,544	-
Total Florida Housing Finance Corporation			411,258	-
Florida Department of Environmental Protection				
Small County Consolidated Grant				
	37.012	018SC	87,757	-
Pass through Northwest Florida Water Management District				
Florida Springs Grant Program				
Blue Springs Stormwater	37.052	18-025	417,700	-
Blue Springs Road Sewer	37.052	17-061	55,519	-
Indian Springs Sewer	37.052	16-045	679,140	-
Indian Springs Sewer	37.052	20-036	3,704	-
Total Florida Springs Grant Program			1,156,063	-
Total Florida Department of Environmental Protection			1,243,820	-
Florida Department of State and Secretary of State				
State Aid to Libraries				
	45.030	17-ST-67	4,704	-
State Aid to Libraries	45.030	18-ST-67	126,749	-
Total Florida Department of State			131,453	-
Florida Executive Office of the Governor				
Emergency Management Projects - Florida Hazardous Materials Planning & Prevention Program				
	31.067	19-CP-11-02-41-01-173	3,489	-
Emergency Management Programs	31.063	A0021	85,832	-
Emergency Management Programs	31.063	A0017	23,366	-
Total Emergency Management Programs			109,198	-
Total Florida Executive Office of the Governor			112,687	-

*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, 2020

State Agency Pass through entity State Financial Assistance Projects	CSFA Number	Grant/ Contract Number	Expenditures	Passed to Subrecipients
Florida Department of Health				
County Grant Awards	64.005	C8032	6,224	-
Emergency Medical Services (EMS) Matching Awards	64.003	M8044	17,990	-
Emergency Medical Services (EMS) Matching Awards	64.003	M8045	59,966	-
Emergency Medical Services (EMS) Matching Awards	64.003	C7004	150,000	-
Total Emergency Medical Services (EMS) Matching Awards			227,956	-
Total Florida Department of Health			234,180	-
Florida Department of Agriculture and Consumer Services				
Mosquito Control	42.003	22239	5,666	-
Total Florida Department of Agriculture and Consumer Services			5,666	-
Florida Department of Management Services				
Wireless 911 Emergency Telephone System Rural County Grant Progi	72.001	19-04-18	43,325	-
Wireless 911 Emergency Telephone System Rural County Grant Progi	72.001	19-04-19	147,955	-
Total Florida Department of Management Services			191,280	-
Florida Department of Economic Opportunity				
Regional Rural Development and Infrastructure Fund	40.042	DO158	85,935	-
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0054	114,000	-
Total Florida Department of Economic Opportunity			199,935	-
Florida Department of Highway Safety and Motor Vehicles				
Florida Arts License Plates Project	76.041	n/a	198	-
Total Florida Department of Highway Safety and Motor Vehicles			198	-
Florida Department of Education and Commissioner of Education				
Coach Aaron Feis Guardian Program	48.140	97H-90210-9D001	19,041	-
Total Florida Department of Education and Commissioner of Education			19,041	-
Florida State Courts System				
Small County Courthouse Facilities	22.004	SC009AZ	1,000,000	-
Total Florida State Courts System			1,000,000	-
Florida Fish and Wildlife Conservation Commission				
Florida Boating Improvement Program	77.006	17203	101,500	-
Total Florida Fish and Wildlife Conservation Commission			101,500	-
Total Expenditures of State Financial Assistance			12,454,333	-
Total Federal Awards and State Financial Assistance			\$ 21,704,939	\$ 987,307

*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, 2020

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: 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, 2020

NOTE 6: 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, 2020, 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 \$1,473,764 as amended in August 2020, 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 \$788,570 with the County obligated to repay \$685,194 in principal and \$13,980 in capitalized interest. Principal and capitalized interest payable by the County at September 30, 2020 were \$703,636 and \$4,713 respectively.

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2020

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: | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black; width: 30%;">CFDA Number</td> <td style="text-align: center; border-bottom: 1px solid black; width: 70%;">Federal Program</td> </tr> <tr> <td style="text-align: center;">97.036</td> <td style="text-align: center;">Disaster Grants – Public Assistance
(Presidentially Declared Disasters)</td> </tr> <tr> <td style="text-align: center;">21.019</td> <td style="text-align: center;">COVID-19 Coronavirus Relief Fund</td> </tr> </table> | CFDA Number | Federal Program | 97.036 | Disaster Grants – Public Assistance
(Presidentially Declared Disasters) | 21.019 | COVID-19 Coronavirus Relief Fund | |
| CFDA Number | Federal Program | | | | | | |
| 97.036 | Disaster Grants – Public Assistance
(Presidentially Declared Disasters) | | | | | | |
| 21.019 | COVID-19 Coronavirus Relief Fund | | | | | | |
| 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, 2020

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="margin-left: auto; margin-right: auto; 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;">55.009</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> <tr> <td style="text-align: center;">22.004</td> <td style="text-align: center;">Small County Courthouse Facilities</td> </tr> </tbody> </table> | CSFA Number | State Project | 55.009 | Small County Outreach Program (SCOP) | 37.052 | Florida Springs Grant Program | 22.004 | Small County Courthouse Facilities | |
| CSFA Number | State Project | | | | | | | | | |
| 55.009 | Small County Outreach Program (SCOP) | | | | | | | | | |
| 37.052 | Florida Springs Grant Program | | | | | | | | | |
| 22.004 | Small County Courthouse Facilities | | | | | | | | | |
| 5. Dollar threshold used to distinguish between type A and type B projects: | | \$750,000 | | | | | | | | |

SECTION II – FINANCIAL STATEMENT FINDINGS

BOARD – LEASE PURCHASE OF EQUIPMENT – FINDING, BCC 2020-001

CRITERIA: The purchase of equipment through a capital lease should be recorded as capital outlay with corresponding debt for the amounts due under this obligation.

CONDITION: Only the current year payments were expensed for lease purchase of mowing equipment obtained in 2020.

CAUSE: The lease purchase was overlooked by staff.

EFFECT: Expenditures and liabilities were understated.

RECOMMENDATION: All lease agreements should be reviewed by staff to determine proper treatment and recording.

VIEW OF RESPONSIBLE OFFICIALS: See Management’s Response and Corrective Action Plan beginning on page 112.

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

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 112.

Jackson County, Florida
Schedule of Findings and Questioned Costs
For the year ended September 30, 2020

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS

Board 2020-002 – REPORTING – COMPLIANCE AND CONTROLS

STATE AGENCY: FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

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: Quarterly progress reports should be submitted within fifteen days after the end of the period per the compliance requirements of the program.

CONDITION: Four quarterly reports were tested for compliance with this requirement. This was not a statistically valid sample. One out of the four quarterly reports tested was submitted seven days after the required date (and one additional in the same submission that was not tested).

CAUSE: This was an oversight by the personnel responsible for submitting 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 ensure this requirement is not overlooked.

STATUS: None.

VIEW OF RESPONSIBLE OFFICIALS: See Management’s Response and Corrective Action Plan beginning on page 112.

Jackson County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2020

SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS

FINANCIAL STATEMENT AUDIT

BOARD – RETAINAGE PAYABLE – FINDING, BCC 2019-001 - RESOLVED

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 112.

STATUS: This has been resolved.

BOARD – CONTRIBUTED ASSETS – FINDING, BCC 2019-002 - RESOLVED

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.

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 112.

STATUS: This has been resolved.

Jackson County, Florida
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2020

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

MAJOR FEDERAL PROGRAMS AND STATE PROJECTS

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

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 has been resolved.

VIEW OF RESPONSIBLE OFFICIALS: See Management's Response and Corrective Action Plan beginning on page 112.

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, 2020, and have issued our report thereon dated June 28, 2021 .

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; 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, which are dated June 28, 2021, 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 - RESOLVED

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

CONDITION: There is a lack of segregation of duties between employees who have 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 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.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

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. In connection with our audit, we did not have any such recommendations.

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 28, 2021



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, 2020. 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, 2020.

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 28, 2021



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

Mailing Address:
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Marianna, FL 32447

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**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, 2020. 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, 2020.

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 28, 2021

Jackson County, Florida Management's Response



BOARD of COUNTY COMMISSIONERS

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

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, 2020. 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 2020-001

COMMENT: The purchase of equipment through a capital lease should be recorded as capital outlay with corresponding debt for the amounts due under this obligation. Only the current year payments were expensed for lease purchase of mowing equipment obtained in 2020.

RESPONSE: Effective July 1, 2021, the Finance Office will review all leases prior to any payments being processed to insure the expenditures and liabilities are recorded correctly.

FINDING 2020-002

COMMENT: Quarterly progress reports should be submitted within fifteen days after the end of the period per the compliance requirements of the program. Four quarterly reports tested for compliance with this requirement. This was not a statistically valid sample. One out of the four quarterly reports tested was submitted seven days after the required date (and one additional in the same submission that was not tested).

RESPONSE: The County has established a Grants/Contracts Coordinator position that will review all grant agreements beginning July 1, 2021 to insure compliance. Procedures will be established prior to October 1, 2021 to track the due dates for quarterly reports to insure they have been submitted timely.

Commissioners

District 1
Alex B. McKinnie

District 2
Clint Pate

District 3
Paul Donofro, Jr.

District 4
Eric Hill

District 5
Jim Peacock

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



BOARD of COUNTY COMMISSIONERS

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

Administration Building
2864 Madison Street
Marianna, Florida 32448-4021

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

Sincerely,

James Peacock
Chairman

Commissioners

District 1
Alex B. McKinnie

District 2
Clint Pate

District 3
Paul Donofro, Jr.

District 4
Eric Hill

District 5
Jim Peacock

JACKSON COUNTY SHERIFF'S OFFICE

DONALD L. EDENFIELD
SHERIFF
JACKSON COUNTY
P.O. Box 919
Marianna, FL 32447



Office: 850-482-9624
Dispatch: 850-482-9648
Administration: 850-482-9664
C.I.D.: 850-482-9664
FAX: 850-482-9017

February 16, 2021

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

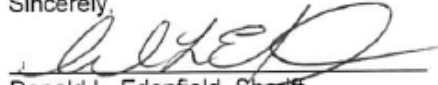
Dear Auditor General Norman,

We have received the audit report for the Office of the Sheriff, Jackson County, Florida, for the fiscal year ending September 30, 2020. 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 Edenfield opens our bank statements, reviews them thoroughly, then signs them. Captain Jeremy Pelfrey approves 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,


Donald L. Edenfield, Sheriff
Jackson County Florida


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

cc: Carr, Riggs, and Ingram, LLC

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

FINANCIAL STATEMENTS

September 30, 2020



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com



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4267 Lafayette Street
Marianna, FL 32446

Mailing Address:
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May 26, 2021

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

We are pleased to present the results of our audit of the September 30, 2020 financial statements of Jackson County, Florida Clerk of the Circuit Court (the "Clerk").

This report to the Clerk and management summarizes our audit, the report issued and various analyses and observations related to Jackson County, Florida's accounting and reporting. The document also contains the communications required by our professional standards.

Our GAAP audit was designed, primarily, to express an opinion on the Clerk's September 30, 2020 financial statements. We considered the Clerk's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements, and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you expect. We received the full support and assistance of the County's personnel.

At Carr, Riggs & Ingram, LLC (CRI), we are continually evaluating the quality of our professionals' work in order to deliver audit services of the highest quality that will meet or exceed your expectations. We encourage you to provide any feedback you believe is appropriate to ensure that we do not overlook a single detail as it relates to the quality of our services.

This report is intended solely for the information and use of the Clerk, management and others within Jackson County, Florida and should not be used by anyone other than these specified parties.

We appreciate this opportunity to work with you. If you have any questions or comments, please contact me at 850-526-3207 or sapplewhite@cricpa.com.

Very truly yours,

A handwritten signature in black ink that reads "Sara G. Applewhite Hughes". The signature is written in a cursive, flowing style.

Sara G. Applewhite, CPA
Partner

Jackson County, Florida
Clerk
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September 30, 2020

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REPORT





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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, 2020, 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, 2020, 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 May 18, 2021 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.

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

May 18, 2021



FINANCIAL STATEMENTS

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

<i>September 30, 2020</i>	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 339,776	\$ -	\$ 339,776
Restricted cash and cash equivalents	-	444,387	444,387
Accounts receivable	22,000	-	22,000
Due from other funds	81,654	5,535	87,189
<hr/>			
Total assets	\$ 443,430	\$ 449,922	\$ 893,352
<hr/>			
Liabilities			
Accounts payable and accrued expenses	\$ 14,215	\$ -	\$ 14,215
Due to Board of County Commissioners	163,761	-	163,761
Due to other governmental units	265,454	-	265,454
<hr/>			
Total liabilities	443,430	-	443,430
<hr/>			
Fund balances			
Restricted	-	449,922	449,922
<hr/>			
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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, 2020</i>	General Fund	Public Records Modernization Trust Fund	Total Governmental Funds
Revenues			
Intergovernmental	\$ 155,325	\$ -	\$ 155,325
Charges for services	788,416	66,613	855,029
Fines and forfeitures	225,539	-	225,539
Grants	115,843	-	115,843
Interest	142	142	284
Total revenues	1,285,265	66,755	1,352,020
Expenditures			
Current:			
General government	727,541	2,375	729,916
Court-related	848,557	6,675	855,232
Total expenditures	1,576,098	9,050	1,585,148
Excess (deficiency) of revenues over (under) expenditures	(290,833)	57,705	(233,128)
Other financing sources (uses)			
Transfers in	607,198	-	607,198
Transfers out	(163,761)	-	(163,761)
Transfers to State of Florida	(152,604)	-	(152,604)
Net other financing sources (uses)	290,833	-	290,833
Net change in fund balances	-	57,705	57,705
Fund balances - beginning	-	392,217	392,217
Fund balances - ending	\$ -	\$ 449,922	\$ 449,922

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, 2020</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Intergovernmental	\$ 263,443	\$ 155,325	\$ 155,325	\$ -
Charges for services	898,973	963,018	788,416	(174,602)
Fines and forfeitures	45,000	43,601	225,539	181,938
Grants	110,000	115,842	115,843	1
Interest	200	200	142	(58)
Total revenues	1,317,616	1,277,986	1,285,265	7,279
Expenditures				
Current				
General government	866,604	811,973	727,541	84,432
Court-related	1,052,321	1,052,321	848,557	203,764
Reserve for contingency	5,000	-	-	-
Total expenditures	1,923,925	1,864,294	1,576,098	288,196
Excess (deficiency) of revenues over (under) expenditures	(606,309)	(586,308)	(290,833)	295,475
Other financing sources (uses)				
Transfers in	606,309	606,309	607,198	889
Transfers out	-	-	(163,761)	(163,761)
Transfers to State of Florida	-	-	(152,604)	(152,604)
Net other financing sources (uses)	606,309	606,309	290,833	(315,476)
Net change in fund balance	\$ -	\$ 20,001	\$ -	\$ (20,001)

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, 2020</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 58,500	\$ 61,000	\$ 66,613	\$ 5,613
Interest	-	-	142	142
Total revenues	58,500	61,000	66,755	5,755
Expenditures				
Current				
General government	15,000	16,000	2,375	13,625
Court-related	43,500	45,000	6,675	38,325
Total expenditures	58,500	61,000	9,050	51,950
Net change in fund balance	\$ -	\$ -	\$ 57,705	\$ 57,705

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, 2020</i>	Agency Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 759,242
Accounts Receivable	5,870
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Total assets	\$ 765,112
<hr/>	
Liabilities	
Due to other funds	\$ 87,188
Due to Board of County Commissioners	30,423
Due to others	647,501
<hr/>	
Total liabilities	\$ 765,112
<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, 2020, 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, 2020, the Clerk held restricted funds of \$444,387 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, May 18, 2021 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 November 2016, the GASB issued Statement No. 83 (GASB 83), *Certain Asset Retirement Obligations*. 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 GASB 83. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. GASB 83 had no impact on the Clerk's financial statements.

In March 2018, the GASB issued Statement No. 88 (GASB 88), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt.

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Clerk's financial statements.

Pronouncements Issued But Not Yet Effective

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (Continue)

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (Continue)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probably, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (Continue)

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Clerk's cash and cash equivalents and restricted cash and cash equivalents was \$1,543,405 and the bank balance was \$1,659,103. 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, 2020.

Credit Risk

At September 30, 2020, the Clerk did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2020, the Clerk did not hold any deposits or investments that were considered to have interest rate risk.

Custodial Credit Risk

As of September 30, 2020, the Clerk did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2020, 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:

	10/01/19 Through <u>06/30/19</u>	07/01/19 Through <u>09/30/20</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, 2019 through September 30, 2020, the total payroll for all employees was \$1,142,088. The retirement contributions for all employees covered by the System for the years ended September 30, 2020, 2019 and 2018 were \$180,698, \$170,625 and \$161,448, respectively, which were the required contributions. For the year ended September 30, 2020, retirement contributions represented 15.82% 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, 2020, excess court-related funds were \$265,454.

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, 2020.

**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, 2020, 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	\$ 66,524
	Court-related technology	383,398
	Total restricted fund balance	\$ 449,922

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 \$115,843 as of September 30, 2020.

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 \$163,761 as of September 30, 2020.

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

	Fine and Forfeiture	County Witness	Cash Bonds	Registry	Total
<i>For the year ended September 30, 2020</i>					
Assets					
Cash and cash equivalents	\$ 255,290	\$ 7,898	\$ 169,756	\$ 326,298	\$ 759,242
Accounts receivable	5,870		-	-	5,870
Total assets	\$ 261,160	\$ 7,898	\$ 169,756	\$ 326,298	\$ 765,112
Liabilities					
Due to other funds	\$ 87,188	\$ -	\$ -	\$ -	\$ 87,188
Due to Board of County Commissioners	30,423	-	-	-	30,423
Due to others	143,549	7,898	169,756	326,298	647,501
Total liabilities	\$ 261,160	\$ 7,898	\$ 169,756	\$ 326,298	\$ 765,112

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 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, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements and have issued our report thereon dated May 18, 2021.

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.

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

May 18, 2021

**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, 2020. 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, 2020.

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.

May 18, 2021

**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, 2020. 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, 2020.

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.

May 18, 2021



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**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, 2020. 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, 2020.

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.

May 18, 2021

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, 2020, and have issued our report thereon dated May 18, 2021.

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 May 18, 2021, 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.

Cary Riggs & Ingram, L.L.C.

May 18, 2021

**Jackson County, Florida
Sheriff**

FINANCIAL STATEMENTS

September 30, 2020



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com

Jackson County, Florida
Sheriff
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September 30, 2020

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REPORT



INDEPENDENT AUDITORS' REPORT

To Honorable Donald L. Edenfield
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, 2020, 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 Donald L. Edenfield
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, 2020, 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 ("Rules"). 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, 2020, 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 Donald L. Edenfield
Sheriff
Jackson County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2021 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.

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

Marianna, Florida
February 11, 2021



FINANCIAL STATEMENTS

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

<i>September 30, 2020</i>	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 380,902	\$ 20,188	\$ 401,090
Restricted cash and cash equivalents	-	69,549	69,549
Due from other funds	-	4,262	4,262
Total assets	\$ 380,902	\$ 93,999	\$ 474,901
Liabilities			
Accounts payable and accrued expenses	\$ 340,927	\$ -	\$ 340,927
Due to Board of County Commissioners	39,975	-	39,975
Total liabilities	380,902	-	380,902
Fund balances			
Restricted	-	73,811	73,811
Committed	-	20,188	20,188
Total fund balances	-	93,999	93,999
Total liabilities and fund balances	\$ 380,902	\$ 93,999	\$ 474,901

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, 2020</i>	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Fines and forfeitures	\$ -	\$ 971	\$ 971
Grants	157,300	54,631	211,931
Investment earnings	-	169	169
Other fees and miscellaneous revenues	90,001	3,854	93,855
Total revenues	247,301	59,625	306,926
Expenditures			
Current:			
Public safety	5,326,781	54,162	5,380,943
Capital outlay	233,296	20,595	253,891
Total expenditures	5,560,077	74,757	5,634,834
Excess (deficiency) of revenues over (under) expenditures	(5,312,776)	(15,132)	(5,327,908)
Other financing sources (uses)			
Transfers in	5,362,964	-	5,362,964
Transfers out	(50,188)	-	(50,188)
Net other financing sources (uses)	5,312,776	-	5,312,776
Net change in fund balances	-	(15,132)	(15,132)
Fund balances - beginning	-	109,131	109,131
Fund balances - ending	\$ -	\$ 93,999	\$ 93,999

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, 2020</i>	Original Budget	Final Budget	Actual Amounts on a Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Grants	\$ -	\$ -	\$ -	\$ -
Other fees and miscellaneous revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Public safety	4,628,694	4,816,934	5,015,659	(198,725)
Capital outlay	451,520	451,520	233,296	218,224
Total expenditures	5,080,214	5,268,454	5,248,955	19,499
Excess (deficiency) of revenues over (under) expenditures	(5,080,214)	(5,268,454)	(5,248,955)	19,499
Other financing sources (uses)				
Transfers in	5,080,214	5,268,454	5,299,143	30,689
Transfers out	-	-	(50,188)	(50,188)
Total other financing sources	5,080,214	5,268,454	5,248,955	(19,499)
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, 2020</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, 2020, 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.

In addition, the Sheriff reported the following non-major governmental funds:

Contraband Forfeitures Fund - Accounts for revenues and expenses relating to various forfeitures and seizures received through efforts of the drug task force.

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.

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.

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	\$ 5,560,077	\$ 5,560,077	\$ -
Non-budgeted revenues and expenditures:			
Revenues other than appropriations from			
Grants, Reimbursements and Insurance	(311,152)	(311,152)	-
Budgetary basis	\$ 5,248,925	\$ 5,248,925	\$ -

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, February 11, 2021, 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 November 2016, the GASB issued Statement No. 83 (GASB 83), *Certain Asset Retirement Obligations*. 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 GASB 83. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. GASB 83 had no impact on the Sheriff's financial statements.

In March 2018, the GASB issued Statement No. 88 (GASB 88), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. See Note 6 for additional disclosures related to the implementation of GASB 88.

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Sheriff's financial statements.

Pronouncements Issued But Not Yet Effective

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (Continued)

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (Continued)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probably, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (Continued)

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Sheriff's cash and cash equivalents and restricted cash and cash equivalents was \$503,169 and the bank balance was \$616,294. 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, 2020, the Sheriff did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2020, the Sheriff did not hold any deposits or investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2020, the Sheriff did not hold any deposits or investments that were considered to have custodial credit risk.

Concentration of Credit Risk

At September 30, 2020, 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, 2020.

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:

	10/01/19 Through 06/30/20	07/01/20 Through 9/30/20
Regular employees	8.47%	10.00%
Senior management	25.41%	27.29%
Elected county officials	48.82%	49.18%
Special risk employees	24.48%	24.45%
DROP participants	14.60%	16.98%

Chapter 121, Florida Statutes establishes the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions. For the year October 01, 2019 through September 30, 2020, the total payroll for all employees was \$3,059,938. The retirement contributions for all employees covered by the System for the years ended September 30, 2020, 2019 and 2018 were \$543,898, \$600,417 and \$576,548, respectively, which were the required contributions. For the year ended September 30, 2020 retirement contributions represented 17.78% 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, 2020, 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: BUDGETS

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, 2020, excess revenues over expenditures of \$50,188 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 spendable form or are legally or contractually required to be maintained intact. The Sheriff had no non-spendable net assets at September 30, 2020.

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, 2020, 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, 2020 are as follows:

	Contraband Forfeitures	Other Governmental Funds	Total
Restricted for:			
Public safety grants	\$ -	\$ 27,179	\$ 27,179
Crime prevention	46,632	-	46,632
Total fund balances - restricted	\$ 46,632	\$ 27,179	\$ 73,811

Committed fund balances at September 30, 2020 are as follows:

	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total
Committed for:				
Community activities	\$ 5,384	\$ -	\$ -	\$ 5,384
Auxiliary unit	-	13,298	-	13,298
Sheriff's posse unit	-	-	1,506	1,506
Total fund balances - committed	\$ 5,384	\$ 13,298	\$ 1,506	\$ 20,188

Note 11: COMMITMENTS

The Sheriff entered into a software licensing and support agreement during the year ended September 30, 2018, the final payment of \$161,705 was made during the 2020 fiscal year as well as an annual support fee that is made each year.

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>
2021	\$ 175,243
2022	111,730
Total	\$ 286,973

Note 13: UNCERTAINTIES

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 Company. The occurrence and extent of such an 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 or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



SUPPLEMENTARY INFORMATION

Jackson County, Florida
Sheriff
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2020	Anti-Drug Abuse Grant	Contraband Forfeitures	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ 5,384	\$ 13,298	\$ 1,506	\$ 20,188
Restricted cash and cash equivalents	22,917	46,632	-	-	-	69,549
Due from other funds	4,262	-	-	-	-	4,262
Total assets	\$ 27,179	\$ 46,632	\$ 5,384	\$ 13,298	\$ 1,506	\$ 93,999
Fund balances						
Restricted	\$ 27,179	\$ 46,632	\$ -	\$ -	\$ -	\$ 73,811
Committed	-	-	5,384	13,298	1,506	20,188
Total fund balances	27,179	46,632	5,384	13,298	1,506	93,999
Total liabilities and fund balances	\$ 27,179	\$ 46,632	\$ 5,384	\$ 13,298	\$ 1,506	\$ 93,999

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	Contraband Forfeitures	Reserve Fund	Sheriff's Auxiliary	Sheriff's Posse	Total Nonmajor Governmental Funds
Revenues						
Fines and forfeitures	\$ -	\$ 971	\$ -	\$ -	\$ -	\$ 971
Other fees and miscellaneous revenues	2,553	-	1,301	-	-	3,854
Investment earnings	-	169	-	-	-	169
Total revenues	57,184	1,140	1,301	-	-	59,625
Expenditures						
Current:						
Public safety	46,733	5,796	1,633	-	-	54,162
Capital outlay	-	20,595	-	-	-	20,595
Total expenditures	46,733	26,391	1,633	-	-	74,757
Excess (deficiency) of revenues (under) expenditures	10,451	(25,251)	(332)	-	-	(15,132)
Other financing sources						
Transfers in	-	-	-	-	-	-
Net other financing sources	-	-	-	-	-	-
Net change in fund balances	10,451	(25,251)	(332)	-	-	(15,132)
Fund balances - beginning	16,728	71,883	5,716	13,298	1,506	109,131
Fund balances - ending	\$ 27,179	\$ 46,632	\$ 5,384	\$ 13,298	\$ 1,506	\$ 93,999

See Independent Auditors' Report.



COMPLIANCE SECTION



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**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 Donald L. Edenfield
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, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated February 11, 2021.

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 Donald L. Edenfield
Sheriff
Jackson County, Florida

Prior Year Comments

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.

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.

Honorable Donald L. Edenfield
Sheriff
Jackson County, Florida

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.

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

Marianna, Florida
February 11, 2021

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

Honorable Donald L. Edenfield
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, 2020. 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, 2020.

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
February 11, 2021

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Donald L. Edenfield
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, 2020, and have issued our report thereon dated February 11, 2021.

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 February 11, 2021, 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 Donald L. Edenfield
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
February 11, 2021

JACKSON COUNTY SHERIFF'S OFFICE

DONALD L. EDENFIELD
SHERIFF
JACKSON COUNTY
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Marianna, FL 32447



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February 16, 2021

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, 2020. 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 Edenfield opens our bank statements, reviews them thoroughly, then signs them. Captain Jeremy Pelfrey approves 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,


Donald L. Edenfield, Sheriff
Jackson County Florida


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

cc: Carr, Riggs, and Ingram, LLC

**Jackson County, Florida
Property Appraiser**

FINANCIAL STATEMENTS

September 30, 2020



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RIGGS &
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CPAs and Advisors

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Jackson County, Florida
Property Appraiser
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September 30, 2020

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REPORT





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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, 2020, 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 auditors' 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 auditors consider 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, 2020, 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, 2020, 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 May 20, 2021 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.

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

May 20, 2021



FINANCIAL STATEMENTS

**Jackson County, Florida
Property Appraiser
Balance Sheet
Governmental Funds**

<i>September 30, 2020</i>	General Fund
Assets	
Cash and cash equivalents	\$ 100,563
Total assets	
	\$ 100,563
Liabilities	
Accounts payable and accrued expenses	\$ 96,253
Due to Board of County Commissioners	4,310
Total liabilities	
	100,563
Fund balance	
	-
Total liabilities and fund balance	
	\$ 100,563

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, 2020</i>	General Fund
Revenues	
Charges for services	\$ 3,318
Interest earnings	1
Total revenues	3,319
Expenditures	
Current	
General government	1,012,609
Capital outlay	61,158
Total expenditures	1,073,767
Excess (deficiency) of revenues over (under) expenditures	(1,070,448)
Other Financing Sources (Uses)	
Transfers in	1,066,370
Transfers out	(4,310)
Net other financing sources (uses)	1,062,060
Net change in fund balance	(8,388)
Fund balance, beginning of year	8,388
Fund balance, end of year	\$ -

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, 2020</i>	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
Expenditures				
Current				
General government	\$ 1,042,524	\$ 1,056,880	\$ 1,009,290	\$ 47,590
Capital outlay	-	17,878	61,158	(43,280)
Total expenditures	1,042,524	1,074,758	1,070,448	4,310
Excess (deficiency) of revenues over (under) expenditures	(1,042,524)	(1,074,758)	(1,070,448)	4,310
Other Financing Sources (Uses)				
Transfer in	1,042,524	1,074,758	1,062,060	(12,698)
Net other financing sources (uses)	1,042,524	1,074,758	1,062,060	(8,388)
Net change in fund balance - budgetary basis	\$ -	\$ -	\$ (8,388)	\$ (4,078)

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, 2020, 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
GAAP basis	\$ 1,073,767	\$ 3,319
Non-budgeted revenues and expenditures:		
Revenues other than appropriations from the Board of County Commissioners and related expenditures	(3,319)	(3,319)
Budgetary basis	\$ 1,070,448	\$ -

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, May 20, 2021, and determined there were no events that occurred that required disclosure.

Impact of Recently Issued Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83 (GASB 83), *Certain Asset Retirement Obligations*. 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 GASB 83. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. GASB 83 had no impact on the Property Appraiser's financial statements.

In March 2018, the GASB issued Statement No. 88 (GASB 88), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt.

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Property Appraiser's financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

the assessment of whether the occurrence of a hedged expected transaction is probably, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

Jackson County, Florida
Property Appraiser
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Property Appraiser's cash and cash equivalents was \$100,563 and the bank balance was \$121,204. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public 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 Property Appraiser to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

Note 2: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

At September 30, 2020, the Property Appraiser did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk

At September 30, 2020, the Property Appraiser did not hold any deposits or investments that were considered to have interest rate risk.

Custodial Credit Risk

At September 30, 2020, the Property Appraiser did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk

At September 30, 2020, 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:

	<u>10/01/19</u> Through <u>06/30/20</u>	<u>07/01/20</u> Through <u>09/30/20</u>
Regular employees	8.47%	10.00%
Senior management	25.41%	27.29%
DROP	14.60%	16.98%
Elected county officials' class	48.82%	49.18%

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 \$803,399 at September 30, 2020. The Property Appraiser's contribution to the plan for the years ended September 30, 2020, 2019, and 2018 was \$113,649, \$107,060, and \$94,736, respectively, which were the required contributions. For the year ended September 30, 2020 retirement contributions represent 14.15% 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.

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. For the year ended September 30, 2020, \$4,310 is accrued and reported as a transfer out.

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, 2020.

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.

Note 7: LITIGATION AND CONTINGENT LIABILITIES

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

Note 8: UNCERTAINTIES

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 Property Appraiser. The occurrence and extent of such an 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 or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



**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, 2020, 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 May 20, 2021.

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.

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

May 20, 2021

**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, 2020. 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, 2020.

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.

May 20, 2021

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, 2020, and have issued our report thereon dated May 20, 2021.

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 May 20, 2021, 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.

Carly Riggs & Ingram, L.L.C.

May 20, 2021

**Jackson County, Florida
Supervisor of Elections**

FINANCIAL STATEMENTS

September 30, 2020



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RIGGS &
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Jackson County, Florida
Supervisor of Elections
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September 30, 2020

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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Honorable Carol A. Dunaway
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, 2020, 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 Carol A. Dunaway
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, 2020, 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, 2020, 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 May 18, 2021 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.

Carly Riggs & Ingram, L.L.C.

May 18, 2021



FINANCIAL STATEMENTS

Jackson County, Florida
Supervisor of Elections
Balance Sheet
Governmental Funds

<i>September 30, 2020</i>	General Fund
Assets	
Cash and cash equivalents	\$ 2,964
Restricted cash and cash equivalents	787
Due from other governments	68,873
Total assets	\$ 72,624
Liabilities	
Accounts payable and accrued expenses	\$ 34,389
Due to Board of County Commissioners	38,235
Total liabilities	72,624
Fund balance	-
Total liabilities and fund balance	\$ 72,624

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, 2020</i>	General Fund
Revenues	
Grants	\$ 138,385
Interest earnings	4
Other fees and miscellaneous revenue	18,834
Total revenues	157,223
Expenditures	
Current	
General government	782,272
Capital outlay	34,767
Total expenditures	817,039
Excess (deficiency) of revenues over (under) expenditures	(659,816)
Other Financing Sources (Uses)	
Transfers in	659,816
Net other financing sources (uses)	659,816
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, 2020</i>	Original Budget	Final Budget	Actual Amounts (Unfavorable)	Variance with Fund Budget Favorable
Revenues				
Grants	\$ 39,796	\$ 159,467	\$ 138,385	\$ (21,082)
Interest earnings	25	25	4	(21)
Other fees and miscellaneous revenues	3,525	15,000	18,834	3,834
Total revenues	43,346	174,492	157,223	(17,269)
Expenditures				
Current				
General government	723,271	883,706	782,272	101,434
Capital outlay	-	-	34,767	(34,767)
Total expenditures	723,271	883,706	817,039	66,667
Excess (deficiency) of revenues over (under) expenditures	(679,925)	(709,214)	(659,816)	49,398
Other Financing Sources (Uses)				
Transfer in	679,925	709,214	659,816	(49,398)
Net other financing sources (uses)	679,925	709,214	659,816	(49,398)
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, 2020, 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 and Cash Equivalents

At September 30, 2020, the Supervisor of Elections held restricted funds of \$787 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, May 18, 2021 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 November 2016, the GASB issued Statement No. 83 (GASB 83), *Certain Asset Retirement Obligations*. 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 GASB 83. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. GASB 83 had no impact on the Supervisor of Elections' financial statements.

In March 2018, the GASB issued Statement No. 88 (GASB 88), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt.

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Supervisor of Elections' financial statements.

Pronouncements Issued But Not Yet Effective

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probably, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Supervisor of Elections' cash and cash equivalents and restricted cash and cash equivalents was \$3,751 and the bank balance was \$3,721. 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, 2020, the Supervisor of Elections did not hold any deposits or investments that were considered to have credit risk.

Interest rate risk – At September 30, 2020, 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, 2020, 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, 2020, 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 website 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:

	10/01/19 Through 06/30/20	07/01/20 Through 09/30/20
Regular employees	8.47%	10.00%
Senior management	25.41%	27.29%
Elected county officials' class	48.82%	49.18%

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 \$287,511 for the year ended September 30, 2020. The Supervisor of Elections' contribution to the plan for the years ended September 30, 2020, 2019 and 2018 was \$82,732, \$76,624 and \$67,923, respectively, which were the required contributions. These contributions represent 28.78% of covered payroll for the year ended September 30, 2020.

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, 2020, 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.

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 has received 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, 2020.

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, 2020.

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.

Note 9: UNCERTAINTIES

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 Company. The occurrence and extent of such an 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 or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



**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 Carol A. Dunaway
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, 2020, 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 May 18, 2021.

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 Carol A. Dunaway
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.

Carly Riggs & Ingram, L.L.C.

May 18, 2021

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

The Honorable Carol A. Dunaway
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, 2020. 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, 2020.

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.

May 18, 2021

INDEPENDENT AUDITORS' MANAGEMENT LETTER

To the Honorable Carol A. Dunaway
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, 2020, and have issued our report thereon dated May 18, 2021.

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 May 18, 2021, 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 Carol A. Dunaway
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.

May 18, 2021

**Jackson County, Florida
Tax Collector**

FINANCIAL STATEMENTS

September 30, 2020



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CPAs and Advisors

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Jackson County, Florida
Tax Collector
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September 30, 2020

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REPORT





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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, 2020, 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, 2020, 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, 2020, 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 agency 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 agency 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 agency 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 May 12, 2021 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.

May 12, 2021



FINANCIAL STATEMENTS

Jackson County, Florida
Tax Collector
Balance Sheet
Governmental Funds

<i>September 30, 2020</i>	General Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 51,451
Due from Board of County Commissioners	17,117
<hr/>	
Total assets	\$ 68,568
<hr/>	
Liabilities	
Accounts payable and accrued expenses	\$ 48,961
Unearned revenue	17,407
<hr/>	
Total liabilities	66,368
<hr/>	
Fund balance	2,200
<hr/>	
Total liabilities and fund balance	\$ 68,568
<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, 2020</i>	General Fund
<hr/>	
Revenues	
Charges for services	\$ 994,274
<hr/>	
Total revenues	994,274
<hr/>	
Expenditures	
Current:	
General government	1,225,763
<hr/>	
Total expenditures	1,225,763
<hr/>	
Excess (deficiency) of revenues over (under) expenditures	(231,489)
<hr/>	
Other financing sources (uses)	
Transfers in	246,750
Transfers out	(15,261)
<hr/>	
Net other financing sources (uses)	231,489
<hr/>	
Net change in fund balance	-
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, 2020</i>	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Charges for services	\$ 1,007,634	\$ 1,039,613	\$ 994,274	\$ (45,339)
Total revenues	1,007,634	1,039,613	994,274	(45,339)
Expenditures				
Current:				
General government	1,254,384	1,279,263	1,225,763	53,500
Capital outlay	-	7,100	-	7,100
Total expenditures	1,254,384	1,286,363	1,225,763	60,600
Excess (deficiency) of revenues over (under) expenditures	(246,750)	(246,750)	(231,489)	15,261
Other financing sources (uses)				
Transfers in	246,750	246,750	246,750	-
Transfers out	-	-	(15,261)	(15,261)
Net other financing sources (uses)	246,750	246,750	231,489	(15,261)
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, 2020</i>	Agency Funds
Assets	
Cash	\$ 421,030
<hr/>	
Total assets	\$ 421,030
<hr/> <hr/>	
Liabilities	
Due to others	\$ 421,030
<hr/>	
Total liabilities	\$ 421,030
<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 government-wide 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, 2020, 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 May 12, 2021 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 November 2016, the GASB issued Statement No. 83 (GASB 83), *Certain Asset Retirement Obligations*. 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 GASB 83. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2019. GASB 83 had no impact on the Tax Collector's financial statements.

In March 2018, the GASB issued Statement No. 88 (GASB 88), *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB 88 requires that additional essential information related to debt be disclosed in the notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, GASB 88 also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Pronouncements (continued)

In May 2020, the GASB issued Statement No. 95 (GASB 95), *Postponement of the Effective Date of Certain Authoritative Guidance*. GASB 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. GASB 95 had no impact on the Tax Collector's financial statements.

Pronouncements Issued But Not Yet Effective

In January 2017, the GASB issued Statement No. 84 (GASB 84), *Fiduciary Activities*. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. GASB 84 describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. In addition, recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred which compels the government to disburse fiduciary resources should also be reported. GASB 84 will be effective for the fiscal years beginning after December 15, 2019.

In June 2017, the GASB issued Statement No. 87 (GASB 87), *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for reporting periods beginning after June 15, 2021.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

In June 2018, the GASB issued Statement No. 89 (GASB 89), *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of GASB 89 are effective for reporting periods beginning after December 15, 2020.

In August 2018, the GASB issued Statement No. 90 (GASB 90), *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of GASB 90 are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of GASB 90 are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The primary objectives of GASB 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of GASB 91 are effective for reporting periods beginning after December 15, 2021.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

In January 2020, the GASB issued Statement No. 92 (GASB 92), *Omnibus 2020*. The objectives of GASB 92 are to enhance the comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB 92 are effective for reporting periods beginning after June 15, 2021.

In March 2020, the GASB issued Statement No. 93 (GASB 93), *Replacement of Interbank Offered Rates*. The purpose of GASB 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). GASB 93 achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probably, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of the interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021.

In March 2020, the GASB issued Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of GASB 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in GASB 94 as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in GASB 94, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. GASB 94 is effective for fiscal years beginning after June 15, 2022.

In May 2020, the GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. GASB 96 is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued statement No. 97 (GASB 97), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The primary objectives of GASB 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements for GASB 97 are effective for reporting periods beginning after June 15, 2021.

Note 2: DEPOSITS AND INVESTMENTS

At September 30, 2020, the carrying amount of the Tax Collector's cash and cash equivalents was \$472,481 and the bank balance was \$1,013,664. 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, 2020, the Tax Collector did not hold any deposits or investments that were considered to have credit risk.

Interest Rate Risk - At September 30, 2020, the Tax Collector did not hold any deposits or investments that were considered to have interest rate risk.

Custodial Credit Risk - At September 30, 2020, the Tax Collector did not hold any deposits or investments that were considered to have custodial risk.

Concentration of Credit Risk - At September 30, 2020, 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:

	10/01/19 Through 06/30/20	07/01/20 Through 09/30/20
Regular employees	8.47%	10.00%
Senior management	25.41%	27.29%
Elected county officials' class	48.82%	49.18%
DROP plan participants	24.50%	24.45%

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 \$800,237 for the year ended September 30, 2020. The Tax Collector's contribution to the plan for the years ended September 30, 2020, 2019, and 2018 totaled \$104,405, \$101,102, and \$94,971, respectively, which were the required contributions. These contributions represented 13.05% of covered payroll for the year ended September 30, 2020.

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, 2020, excess revenues over expenditures of \$15,261 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, 2020 was \$20,390. The minimum future lease payments under operating leases as of September 30, 2020 and for each year until expiration are:

<u>2021</u>	<u>\$</u>	<u>12,540</u>
<u>Total minimum future lease payments</u>	<u>\$</u>	<u>12,540</u>

Note 6: FUND BALANCES

Fund balances are classified based upon a hierarchy of the Tax Collector's ability to control spending of these fund balances and can be classified in the following categories:

Non-Spendable – Amounts that cannot be spent because they are either not spendable in form or they are legally or contractually required to be maintained intact.

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, 2020, 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.

Note 9: UNCERTAINTIES

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 Company. The occurrence and extent of such an 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 or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



SUPPLEMENTARY INFORMATION

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

<i>September 30, 2020</i>	License and Boat	Tag	Tax	Driver's License	Credit Cards	Total
Assets						
Cash	\$ 71	\$ 30,498	\$ 355,437	\$ 8,995	\$ 26,029	\$ 421,030
Total assets	\$ 71	\$ 30,498	\$ 355,437	\$ 8,995	\$ 26,029	\$ 421,030
Liabilities						
Due to others	\$ 71	\$ 30,498	\$ 355,437	\$ 8,995	\$ 26,029	\$ 421,030
Total liabilities	\$ 71	\$ 30,498	\$ 355,437	\$ 8,995	\$ 26,029	\$ 421,030

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, 2020, 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 May 12, 2021.

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.

May 12, 2021



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**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, 2020. 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, 2020.

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.

May 12, 2021

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, 2020, and have issued our report thereon dated May 12, 2021.

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 May 12, 2021, 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.

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.

To the Honorable Mary Carol Murdock
Tax Collector of Jackson County, Florida
Marianna, Florida

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.

Carri Riggs & Ingram, L.L.C.

May 12, 2021