

**Jackson County, Florida**  
**Board of County Commissioners**

**Special-Purpose Financial Statements**

**September 30, 2014**



**CRI** CARR  
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**Jackson County, Florida  
Board of County Commissioners  
SPECIAL-PURPOSE FINANCIAL STATEMENTS  
September 30, 2014**

**BOARD OF COUNTY COMMISSIONERS**

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

**CLERK OF THE CIRCUIT COURT  
Dale R. Guthrie**

**SHERIFF  
Louis S. Roberts III**

**TAX COLLECTOR  
Sherry Brown**

**PROPERTY APPRAISER  
Sharon Cox**

**SUPERVISOR OF ELECTIONS  
Sylvia Stephens**

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

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

**Jackson County, Florida**  
**Board of County Commissioners**  
**Table of Contents**  
**September 30, 2014**

**REPORT**

Independent Auditors' Report

**SPECIAL-PURPOSE FINANCIAL STATEMENTS**

Special-Purpose Balance Sheet - Governmental Funds	4
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund - Budget and Actual	7
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Fines and Forfeitures Fund - Budget and Actual	8
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Transportation Trust Fund - Budget and Actual	9
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Local Option Gas Tax - Budget and Actual	10
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Road Construction - Budget and Actual	11
Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance - Utility Fee fund - Budget and Actual	12
Special-Purpose Statement of Net Position - Proprietary Funds	13
Special-Purpose Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	14
Special-Purpose Statement of Cash Flows - Proprietary Funds	15
Special-Purpose Statement of Fiduciary Net Position - Agency Funds	17
Notes to Special-Purpose Financial Statements	18

**Jackson County, Florida**  
**Board of County Commissioners**  
**Table of Contents**  
**September 30, 2014**

**SUPPLEMENTARY INFORMATION**

Combining Special-Purpose Balance Sheet - Nonmajor Governmental Funds	48
Combining Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	50
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	52
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General	54
Schedule of Expenditures of Federal Awards and State Financial Assistance	56
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	59
Schedule of Findings and Questioned Costs	60
Summary Schedule of Prior Audit Findings	62
Independent Auditors' Management Letter	63
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes, <i>Local Government Investment Policies</i>	67
Management's Response	68



# REPORT





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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying special-purpose financial statements of the Jackson County, Florida, Board of County Commissioners (the "Board") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Board'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 special-purpose 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.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose 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 special-purpose 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 Board'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 special-purpose 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  
of Jackson County, Florida  
Marianna, Florida

As discussed in Note 1 to the financial statements, the Board's financial statements are special-purpose financial statements presenting only the financial position and results of operations of the Board. These special-purpose 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 special-purpose financial statements consist of only the *fund level* financial statements as defined in Governmental Accounting Standards Board Statement 34, and do not include presentations of government-wide financial statements of the Board.

### **Opinion**

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information and the fiduciary fund type of the Board as of September 30, 2014, 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**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board'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 Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and Chapter 10.550, Rules of the Florida Auditor General and is not a required part of the basic financial statements.

The combining and individual nonmajor 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2015 on our consideration of the Board'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 Board's internal control over financial reporting and compliance.

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

June 11, 2015



**SPECIAL-PURPOSE  
FINANCIAL STATEMENTS**

**Jackson County, Florida  
Board of County Commissioners  
Special-Purpose Balance Sheet  
Governmental Funds**

September 30, 2014

	General Fund	Fines and Forfeiture	Transportation Trust	Local Option Gas Tax	Road Construction	Utility Fee Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 3,063,243	\$ 117,284	\$ 110,430	\$ 1,027,821	\$ 161,155	\$ 597,703	\$ 3,799,674	\$ 8,877,310
Restricted cash and cash equivalents	436,315	-	221,370	-	-	-	2,708,402	3,366,087
Accounts receivable	883,757	-	-	-	-	279,966	81,071	1,244,794
Inventory	-	-	-	21,099	-	-	-	21,099
Due from other funds	1,465,459	766,035	1,734,418	697,830	2,021,153	733,431	138,976	7,557,302
Due from constitutional officers	55,757	28,546	-	-	-	-	-	84,303
Due from other governmental units	656,891	106,511	1,072,268	427,466	1,061,907	-	212,738	3,537,781
Prepays	303	-	-	-	-	-	-	303
<b>Total assets</b>	<b>\$ 6,561,725</b>	<b>\$ 1,018,376</b>	<b>\$ 3,138,486</b>	<b>\$ 2,174,216</b>	<b>\$ 3,244,215</b>	<b>\$ 1,611,100</b>	<b>\$ 6,940,861</b>	<b>\$ 24,688,979</b>
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ 477,977	\$ 158,487	\$ 328,899	\$ -	\$ 418,936	\$ -	\$ 662,985	\$ 2,047,284
Interest payable	-	-	-	-	58,619	-	-	58,619
Due to other funds	1,388,756	733,431	1,856,877	1,323,429	762,240	1,328,000	152,279	7,545,012
Due to other governmental units	400,535	-	-	-	-	-	220,957	621,492
Deferred revenue	9,697	4,805	-	-	-	-	787,288	801,790
<b>Total liabilities</b>	<b>2,276,965</b>	<b>896,723</b>	<b>2,185,776</b>	<b>1,323,429</b>	<b>1,239,795</b>	<b>1,328,000</b>	<b>1,823,509</b>	<b>11,074,197</b>
<b>Fund balances</b>								
Restricted	247,228	-	-	-	-	-	2,388,207	2,635,435
Committed	497,356	-	221,370	-	-	-	575,034	1,293,760
Assigned	1,277,293	121,653	731,340	850,787	2,004,420	283,100	2,154,111	7,422,704
Unassigned	2,262,883	-	-	-	-	-	-	2,262,883
<b>Total fund balances</b>	<b>4,284,760</b>	<b>121,653</b>	<b>952,710</b>	<b>850,787</b>	<b>2,004,420</b>	<b>283,100</b>	<b>5,117,352</b>	<b>13,614,782</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,561,725</b>	<b>\$ 1,018,376</b>	<b>\$ 3,138,486</b>	<b>\$ 2,174,216</b>	<b>\$ 3,244,215</b>	<b>\$ 1,611,100</b>	<b>\$ 6,940,861</b>	<b>\$ 24,688,979</b>

See accompanying notes to financial statements

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2014*

	General Fund	Fines and Forfeiture	Transportation Trust	Local Option Gas Tax
<b>Revenues</b>				
Taxes	\$ 3,545,034	\$ 6,651,295	\$ 3,178,066	\$ 2,100,335
Licenses and permits	1,439,865	-	-	-
Intergovernmental	5,300,040	187,395	20,120	-
Charges for services	2,848,072	284,230	-	-
Fines and forfeitures	19,507	45,341	16	-
Grants	258,000	-	488,966	-
Investment earnings	(3,345)	319	140	80
Other fees and miscellaneous revenues	264,760	213,637	92,658	-
<b>Total revenues</b>	<b>13,671,933</b>	<b>7,382,217</b>	<b>3,779,966</b>	<b>2,100,415</b>
<b>Expenditures</b>				
Current:				
General Government	4,572,128	-	-	-
Public health and safety	4,358,006	2,872,135	-	-
Physical environment	421,457	-	-	-
Transportation	194,055	-	5,747,762	-
Economic environment	435,432	-	-	-
Human services	1,051,987	-	-	-
Culture/recreation	409,189	-	-	-
Court related	118,983	-	-	-
Capital outlay	428,109	153,140	1,010,037	173,000
Debt service				
Principal	46,000	-	-	-
Interest and other charges	8,714	-	-	-
<b>Total expenditures</b>	<b>12,044,060</b>	<b>3,025,275</b>	<b>6,757,799</b>	<b>173,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,627,873</b>	<b>4,356,942</b>	<b>(2,977,833)</b>	<b>1,927,415</b>
<b>Other financing sources (uses)</b>				
Transfers in	3,070,699	137,348	3,830,603	250,000
Transfers out	(5,071,841)	(4,496,834)	(749,383)	(2,011,189)
<b>Net other financing sources (uses)</b>	<b>(2,001,142)</b>	<b>(4,359,486)</b>	<b>3,081,220</b>	<b>(1,761,189)</b>
<b>Net changes in fund balances</b>	<b>(373,269)</b>	<b>(2,544)</b>	<b>103,387</b>	<b>166,226</b>
<b>Fund balances - beginning</b>	<b>4,658,029</b>	<b>124,197</b>	<b>849,323</b>	<b>684,561</b>
<b>Fund balances - ending</b>	<b>\$ 4,284,760</b>	<b>\$ 121,653</b>	<b>\$ 952,710</b>	<b>\$ 850,787</b>

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**

*For the year ended September 30, 2014*

	Road Construction	Utility Fee Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 509,764	\$ 2,869,421	\$ 1,018,523	\$ 19,872,438
Licenses and permits	-	-	-	1,439,865
Intergovernmental	2,046,497	-	11,671	7,565,723
Charges for services	-	-	675,337	3,807,639
Fines and forfeitures	-	-	50,825	115,689
Grants	1,845,182	-	598,880	3,191,028
Investment earnings	125	84	11,762	9,165
Other fees and miscellaneous revenues	18,005	-	161,367	750,427
<b>Total revenues</b>	<b>4,419,573</b>	<b>2,869,505</b>	<b>2,528,365</b>	<b>36,751,974</b>
<b>Expenditures</b>				
Current:				
General Government	-	-	256,009	4,828,137
Public health and safety	-	-	728,687	7,958,828
Physical environment	-	-	91,289	512,746
Transportation	2,289,227	-	350,020	8,581,064
Economic environment	-	-	248,571	684,003
Human services	-	-	43,296	1,095,283
Culture/recreation	-	-	587,705	996,894
Court related	-	-	174,782	293,765
Capital outlay	1,334,322	-	299,133	3,397,741
Debt service				
Principal	940,647	-	-	986,647
Interest and other charges	251,079	-	-	259,793
<b>Total expenditures</b>	<b>4,815,275</b>	<b>-</b>	<b>2,779,492</b>	<b>29,594,901</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(395,702)</b>	<b>2,869,505</b>	<b>(251,127)</b>	<b>7,157,073</b>
<b>Other financing sources (uses)</b>				
Transfers in	754,797	-	711,243	8,754,690
Transfers out	-	(3,050,000)	(554,092)	(15,933,339)
<b>Net other financing sources (uses)</b>	<b>754,797</b>	<b>(3,050,000)</b>	<b>157,151</b>	<b>(7,178,649)</b>
<b>Net changes in fund balances</b>	<b>359,095</b>	<b>(180,495)</b>	<b>(93,976)</b>	<b>(21,576)</b>
<b>Fund balances - beginning</b>	<b>1,645,325</b>	<b>463,595</b>	<b>5,211,328</b>	<b>13,636,358</b>
<b>Fund balances - ending</b>	<b>\$ 2,004,420</b>	<b>\$ 283,100</b>	<b>\$ 5,117,352</b>	<b>\$ 13,614,782</b>

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
**Budget to Actual**

*For the year ended September 30, 2014*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 3,515,228	\$ 3,565,228	\$ 3,545,034	\$ (20,194)
Licenses and permits	1,241,000	1,434,000	1,439,865	5,865
Intergovernmental	5,029,704	5,239,269	5,300,040	60,771
Charges for services	2,610,500	2,848,250	2,848,072	(178)
Fines and forfeitures	23,300	19,200	19,507	307
Grants	-	379,060	258,000	(121,060)
Investment earnings	5,000	2,100	(3,345)	(5,445)
Other fees and miscellaneous revenues	140,416	334,769	264,760	(70,009)
<b>Total revenues</b>	<b>12,565,148</b>	<b>13,821,876</b>	<b>13,671,933</b>	<b>(149,943)</b>
<b>Expenditures</b>				
Current:				
General government	4,982,832	5,181,085	4,572,128	608,957
Public health and safety	4,232,446	4,480,081	4,358,006	122,075
Physical environment	385,322	425,272	421,457	3,815
Transportation	191,904	197,104	194,055	3,049
Economic environment	438,229	415,929	435,432	(19,503)
Human services	1,165,162	1,144,396	1,051,987	92,409
Culture and recreation	447,601	473,567	409,189	64,378
Court related	131,783	131,725	118,983	12,742
Capital outlay	543,266	1,543,895	428,109	1,115,786
Debt service	54,793	54,793	54,714	79
<b>Total expenditures</b>	<b>12,573,338</b>	<b>14,047,847</b>	<b>12,044,060</b>	<b>2,003,787</b>
Excess (deficiency) of revenues over (under) expenditures	(8,190)	(225,971)	1,627,873	1,853,844
<b>Other financing sources (uses)</b>				
Transfers in	3,070,700	3,070,700	3,070,699	(1)
Transfers out	(4,795,944)	(5,193,759)	(5,071,841)	121,918
Net other financing sources (uses)	(1,725,244)	(2,123,059)	(2,001,142)	121,917
<b>Net change in fund balance</b>	<b>(1,733,434)</b>	<b>(2,349,030)</b>	<b>(373,269)</b>	<b>1,975,761</b>
<b>Fund balance - beginning</b>	<b>4,658,029</b>	<b>4,658,029</b>	<b>4,658,029</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 2,924,595</b>	<b>\$ 2,308,999</b>	<b>\$ 4,284,760</b>	<b>\$ 1,975,761</b>

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Fines and Forfeitures Fund**  
**Budget to Actual**

*For the year ended September 30, 2014*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 6,607,752	\$ 6,657,752	\$ 6,651,295	\$ (6,457)
Intergovernmental	184,617	184,617	187,395	2,778
Charges for services	191,000	291,000	284,230	(6,770)
Fines and forfeitures	52,750	52,750	45,341	(7,409)
Grants	35,000	35,000	-	(35,000)
Investment earnings	1,300	1,300	319	(981)
Other fees and miscellaneous revenues	213,902	213,902	213,637	(265)
<b>Total revenues</b>	<b>7,286,321</b>	<b>7,436,321</b>	<b>7,382,217</b>	<b>(54,104)</b>
<b>Expenditures</b>				
Current:				
Public health and safety	2,951,551	2,980,551	2,872,135	108,416
Capital outlay	131,047	131,047	153,140	(22,093)
<b>Total expenditures</b>	<b>3,082,598</b>	<b>3,111,598</b>	<b>3,025,275</b>	<b>86,323</b>
Excess (deficiency) of revenues over (under) expenditures	4,203,723	4,324,723	4,356,942	32,219
<b>Other financing sources (uses)</b>				
Transfers in	119,887	150,387	137,348	(13,039)
Transfers out	(4,293,610)	(4,465,786)	(4,496,834)	(31,048)
Net other financing sources (uses)	(4,173,723)	(4,315,399)	(4,359,486)	(44,087)
<b>Net change in fund balance</b>	<b>30,000</b>	<b>9,324</b>	<b>(2,544)</b>	<b>(11,868)</b>
<b>Fund balance - beginning</b>	<b>124,197</b>	<b>124,197</b>	<b>124,197</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 154,197</b>	<b>\$ 133,521</b>	<b>\$ 121,653</b>	<b>\$ (11,868)</b>

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Transportation Trust Fund**  
**Budget to Actual**

*For the year ended September 30, 2014*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 3,119,499	\$ 3,349,499	\$ 3,178,066	\$ (171,433)
Intergovernmental	19,092	19,092	20,120	1,028
Fines and forfeitures	-	-	16	16
Grants	-	750,000	488,966	(261,034)
Investment earnings	-	-	140	140
Other fees and miscellaneous revenues	75,000	92,000	92,658	658
<b>Total revenues</b>	<b>3,213,591</b>	<b>4,210,591</b>	<b>3,779,966</b>	<b>(430,625)</b>
<b>Expenditures</b>				
Current:				
Transportation	5,704,735	6,910,046	5,747,762	1,162,284
Capital outlay	630,000	1,030,000	1,010,037	19,963
<b>Total expenditures</b>	<b>6,334,735</b>	<b>7,940,046</b>	<b>6,757,799</b>	<b>1,182,247</b>
Excess (deficiency) of revenues over (under) expenditures	(3,121,144)	(3,729,455)	(2,977,833)	751,622
<b>Other financing sources (uses)</b>				
Transfers in	3,852,355	3,852,355	3,830,603	(21,752)
Transfers out	(731,211)	(751,211)	(749,383)	1,828
Net other financing sources (uses)	3,121,144	3,101,144	3,081,220	(19,924)
<b>Net change in fund balance</b>	<b>-</b>	<b>(628,311)</b>	<b>103,387</b>	<b>731,698</b>
<b>Fund balance - beginning</b>	<b>849,323</b>	<b>849,323</b>	<b>849,323</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 849,323</b>	<b>\$ 221,012</b>	<b>\$ 952,710</b>	<b>\$ 731,698</b>

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Local Option Gas Tax**  
**Budget to Actual**

*For the year ended September 30, 2014*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 2,056,189	\$ 2,056,189	\$ 2,100,335	\$ 44,146
Investment earnings	5,000	5,000	80	(4,920)
<b>Total revenues</b>	<b>2,061,189</b>	<b>2,061,189</b>	<b>2,100,415</b>	<b>39,226</b>
<b>Expenditures</b>				
Current:				
Capital outlay	-	731,500	173,000	558,500
<b>Total expenditures</b>	<b>-</b>	<b>731,500</b>	<b>173,000</b>	<b>558,500</b>
Excess (deficiency) of revenues over (under) expenditures	2,061,189	1,329,689	1,927,415	597,726
<b>Other financing sources (uses)</b>				
Transfers in	-	250,000	250,000	-
Transfers out	(2,011,189)	(2,011,189)	(2,011,189)	-
Net other financing sources (uses)	(2,011,189)	(1,761,189)	(1,761,189)	-
<b>Net change in fund balance</b>	<b>50,000</b>	<b>(431,500)</b>	<b>166,226</b>	<b>597,726</b>
<b>Fund balance - beginning</b>	<b>684,561</b>	<b>684,561</b>	<b>684,561</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 734,561</b>	<b>\$ 253,061</b>	<b>\$ 850,787</b>	<b>\$ 597,726</b>

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Road Construction**  
**Budget to Actual**

*For the year ended September 30, 2014*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 487,158	\$ 500,158	\$ 509,764	\$ 9,606
Intergovernmental Grants	2,024,527	2,024,527	2,046,497	21,970
Investment earnings	-	2,332,530	1,845,182	(487,348)
Other fees and miscellaneous revenues	-	-	125	125
	-	18,005	18,005	-
<b>Total revenues</b>	<b>2,511,685</b>	<b>4,875,220</b>	<b>4,419,573</b>	<b>(455,647)</b>
<b>Expenditures</b>				
Current:				
Transportation	123,398	2,798,198	2,289,227	508,971
Capital outlay	-	1,573,900	1,334,322	239,578
Debt service	1,200,333	1,200,333	1,191,726	8,607
<b>Total expenditures</b>	<b>1,323,731</b>	<b>5,572,431</b>	<b>4,815,275</b>	<b>757,156</b>
Excess (deficiency) of revenues over (under) expenditures	1,187,954	(697,211)	(395,702)	301,509
<b>Other financing sources (uses)</b>				
Transfers in	731,211	756,661	754,797	(1,864)
Net other financing sources (uses)	731,211	756,661	754,797	(1,864)
<b>Net change in fund balance</b>	<b>1,919,165</b>	<b>59,450</b>	<b>359,095</b>	<b>299,645</b>
<b>Fund balance - beginning</b>	<b>1,645,325</b>	<b>1,645,325</b>	<b>1,645,325</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 3,564,490</b>	<b>\$ 1,704,775</b>	<b>\$ 2,004,420</b>	<b>\$ 299,645</b>

*See accompanying notes to financial statements*

Jackson County, Florida  
Board of County Commissioners

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

*For the year ended September 30, 2014*

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Taxes	\$ 2,600,000	\$ 2,870,000	\$ 2,869,421	\$ (579)
Investment earnings	250	250	84	(166)
<b>Total revenues</b>	2,600,250	2,870,250	2,869,505	(745)
Excess of revenues over expenditures	2,600,250	2,870,250	2,869,505	(745)
<b>Other financing sources (uses)</b>				
Transfers out	(3,050,000)	(3,050,000)	(3,050,000)	-
Net other financing sources (uses)	(3,050,000)	(3,050,000)	(3,050,000)	-
<b>Net change in fund balance</b>	(449,750)	(179,750)	(180,495)	(745)
<b>Fund balance - beginning</b>	463,595	463,595	463,595	-
<b>Fund balance - ending</b>	\$ 13,845	\$ 283,845	\$ 283,100	\$ (745)

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Net Position**  
**Proprietary Funds**

September 30, 2014

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	NON-MAJOR FUNDS			Total
	Jackson Water/Sewer	Parks and Recreation	Jackson Recycling	
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 190,611	\$ 12,715	\$ 115,080	\$ 318,406
Accounts receivable, net	107,601	4,697	16,075	128,373
Due from other funds	157	-	-	157
<b>Total current assets</b>	<b>298,369</b>	<b>17,412</b>	<b>131,155</b>	<b>446,936</b>
Noncurrent assets				
Restricted assets				
Cash and cash equivalents	631,780	-	-	631,780
Capital assets				
Nondepreciable	5,000	-	16,145	21,145
Depreciable, net	10,573,133	705,995	86,009	11,365,137
<b>Total noncurrent assets</b>	<b>11,209,913</b>	<b>705,995</b>	<b>102,154</b>	<b>12,018,062</b>
<b>Total assets</b>	<b>11,508,282</b>	<b>723,407</b>	<b>233,309</b>	<b>12,464,998</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	39,948	9,473	7,028	56,449
Interest payable	16,754	-	-	16,754
Due to other funds	15	12,422	10	12,447
Liabilities payable from restricted assets	32,289	-	-	32,289
Bonds payable - current	84,000	-	-	84,000
<b>Total current liabilities</b>	<b>173,006</b>	<b>21,895</b>	<b>7,038</b>	<b>201,939</b>
Noncurrent liabilities				
Revenue bonds payable	4,399,000	-	-	4,399,000
<b>Total noncurrent liabilities</b>	<b>4,399,000</b>	<b>-</b>	<b>-</b>	<b>4,399,000</b>
<b>Total liabilities</b>	<b>4,572,006</b>	<b>21,895</b>	<b>7,038</b>	<b>4,600,939</b>
<b>Net position</b>				
Invested in capital assets, net of related debt	6,095,133	705,995	102,154	6,903,282
Restricted for				
Debt service	307,993	-	-	307,993
Other purposes	291,498	-	-	291,498
Unrestricted (deficit)	241,652	(4,483)	124,117	361,286
<b>Total net position</b>	<b>\$ 6,936,276</b>	<b>\$ 701,512</b>	<b>\$ 226,271</b>	<b>\$ 7,864,059</b>

See accompanying notes to financial statements

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**

*For the year ended September 30, 2014*

	BUSINESS -TYPE ACTIVITIES/ENTERPRISE FUNDS			
	NON-MAJOR FUNDS			Total
	Jackson Water/Sewer	Parks and Recreation	Jackson Recycling	
<b>Operating revenues</b>				
Charges for services	\$ 961,748	\$ 151,005	\$ 78,849	\$ 1,191,602
<b>Total operating revenues</b>	961,748	151,005	78,849	1,191,602
<b>Operating expenses</b>				
Personal services	213,920	256,788	60,565	531,273
Utilities	122,534	19,862	-	142,396
Services and supplies	234,247	49,674	51,530	335,451
Repairs and maintenance	42,325	22,684	16,153	81,162
Other operating expenses	-	622	1,587	2,209
Depreciation	282,328	66,444	17,098	365,870
<b>Total operating expenses</b>	895,354	416,074	146,933	1,458,361
<b>Net operating income (loss)</b>	66,394	(265,069)	(68,084)	(266,759)
<b>Nonoperating revenues (expenses)</b>				
Interest income	10,334	2	100	10,436
Interest expense	(204,356)	-	-	(204,356)
Miscellaneous revenue	-	2,965	10	2,975
<b>Total nonoperating revenues (expenses)</b>	(194,022)	2,967	110	(190,945)
<b>Income (loss) before contributions and transfers</b>	(127,628)	(262,102)	(67,974)	(457,704)
<b>Transfers, net</b>	-	193,947	-	193,947
<b>Change in net position</b>	(127,628)	(68,155)	(67,974)	(263,757)
<b>Total net position - beginning</b>	7,063,904	769,667	294,245	8,127,816
<b>Total net position - ending</b>	\$ 6,936,276	\$ 701,512	\$ 226,271	\$ 7,864,059

*See accompanying notes to financial statements*

Page 1 of 2  
**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Cash Flows**  
**Proprietary Funds**

*For the year ended September 30, 2014*

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	NON-MAJOR FUNDS			Total
	Jackson Water/Sewer	Parks and Recreation	Jackson Recycling	
<b>Operating activities</b>				
Receipts from customers and users	\$ 1,025,318	\$ 150,166	\$ 79,928	\$ 1,255,412
Payments to suppliers	(467,927)	(95,741)	(68,658)	(632,326)
Payments to employees	(213,920)	(256,788)	(60,565)	(531,273)
<b>Net cash (used) provided by operating activities</b>	<b>343,471</b>	<b>(202,363)</b>	<b>(49,295)</b>	<b>91,813</b>
<b>Noncapital financing activities</b>				
Transfers to/from other funds	-	193,947	-	193,947
Advances from/to other funds	(142)	26,583	144	26,585
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(142)</b>	<b>220,530</b>	<b>144</b>	<b>220,532</b>
<b>Capital and related financing activities</b>				
Purchase of capital assets	-	(9,643)	-	(9,643)
Principal payments on capital debt	(80,000)	-	-	(80,000)
Interest payments on capital debt	(204,657)	-	-	(204,657)
Other receipts	-	2,965	11	2,976
<b>Net cash (used) provided by capital and related financing activities</b>	<b>(284,657)</b>	<b>(6,678)</b>	<b>11</b>	<b>(291,324)</b>
<b>Investing activities</b>				
Interest and dividends	10,334	2	100	10,436
<b>Net cash provided by investing activities</b>	<b>10,334</b>	<b>2</b>	<b>100</b>	<b>10,436</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>69,006</b>	<b>11,491</b>	<b>(49,040)</b>	<b>31,457</b>
<b>Cash - beginning of the year</b>	<b>753,385</b>	<b>1,224</b>	<b>164,120</b>	<b>918,729</b>
<b>Cash - end of the year</b>	<b>\$ 822,391</b>	<b>\$ 12,715</b>	<b>\$ 115,080</b>	<b>\$ 950,186</b>

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Cash Flows**  
**Proprietary Funds**

**Reconciliation of net operating income to net cash  
provided (used) by operating activities**

Net operating income (loss)	\$	66,394	\$	(265,069)	\$	(68,084)	\$	(266,759)
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation		282,328		66,444		17,098		365,870
(Increase) decrease in accounts receivable		(1,590)		(839)		1,079		(1,350)
(Increase) decrease in due from other governments		62,860		-		-		62,860
(Increase) decrease in deposits		2,300		-		-		2,300
Increase (decrease) in accounts payable		(68,821)		(2,899)		612		(71,108)
<b>Net cash (used) provided by operating activities</b>	<b>\$</b>	<b>343,471</b>	<b>\$</b>	<b>(202,363)</b>	<b>\$</b>	<b>(49,295)</b>	<b>\$</b>	<b>91,813</b>

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Special-Purpose Statement of Fiduciary Net Position**  
**Agency Funds**

*September 30, 2014*

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	<b>Agency Funds</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 61,753
<hr/>	
Total assets	\$ 61,753
<hr/>	
<b>Liabilities</b>	
Due to others	\$ 61,753
<hr/>	
Total liabilities	\$ 61,753
<hr/>	

*See accompanying notes to financial statements*

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

The financial statements of Jackson County, Florida, Board of County Commissioners (the “Board”) conform to accounting principles generally accepted in the United States of America, as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these special-purpose financial statements.

**Reporting Entity**

Jackson County, Florida (the “County”), 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 by 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 units - The Jackson County Agriculture Center (Ag Center), a separate independent district from the Board, is governed by a five member Board appointed by the Board. 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 Board as part of the special revenue funds.

The Compass Lake Municipal Service Taxing Unit (MSTU), was created by the Board pursuant to Section 125.01 (1)(g) of the Florida Statutes. The municipal service taxing unit was created for the unincorporated area known as Compass Lake in the Hills. An assessment against each lot was made for providing various services to the landowners of this area. Assessments are collected by the Tax Collector as part of the regular ad valorem tax collection schedule. The funds are remitted to the Compass Lake in the Hills Property Owners’ Association, Inc. (a Florida not for profit corporation) which in turn is responsible for the administration of the funds. For financial reporting purposes, the MSTU is blended in the financial statements of the Board as a part of the special revenue funds.

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

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

**Basis of Presentation**

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

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.

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

The Board 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.

**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 Board's county gas tax revenue, motor fuel taxes and other shared revenue earmarked for general and administrative operations costs of the Public Works Department.

**Local Option Gas Tax** - This fund accounts for the Board's local option gas tax funds distributed from the State. The funds are used for road maintenance and improvements.

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

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

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

The Board reports the following major proprietary fund:

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

The Board also reports the following fund type:

**Agency Funds** - The agency funds are used to account for assets held by the Board 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.

**Compass Lake in the Hills Municipal Services Taxing Unit** – The MSTU fund is used to account for the municipal service taxes collected for Compass Lake in the Hills.

**Measurement Focus**

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

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the special-purpose financial statements. Basis of accounting related 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.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

The Board'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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow subsequent private-sector guidance.

**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 Board'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.

**Cash and Cash Equivalents**

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

**Investments**

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

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

**Receivables**

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

**Interfund Balances**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.”

**Inventories**

Inventory items of materials and supplies, which are not significant in amount, are considered expenditures when purchased in the governmental funds. No physical inventory was taken at year end. The amount is estimated to be immaterial.

**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.

**Capital Assets**

The Board’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 fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred.

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

<u>Assets</u>	<u>Years</u>
Buildings	5-50
Improvements, other than buildings	2-50
Machinery and equipment	3-30



**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

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.

The Board's capital assets are reported in the statement of net position in the County's financial statements.

**Deferred Revenues**

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

**Accumulated Compensated Absences**

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

**Long-term Debt**

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

**Encumbrances**

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



**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**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**

The Board has evaluated subsequent events through the date of the Independent Auditors' Report which is the date the financial statements were available to be issued.

**Governmental Fund Balances**

The Board 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 13.

**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 2014 millage rate assessed by the Board was 7.3200 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.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 2 - PROPERTY TAXES (CONTINUED)**

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 - DEPOSITS AND INVESTMENTS**

At year end, the carrying amount of the Board's deposits was \$13,255,336 and the bank balance was \$13,728,439. 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 Board to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the Board 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 Board invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2014, the market value and the carrying value of these funds was \$2,221,702. The funds are carried as a cash equivalent on the balance sheet at September 30, 2014 (See Note 1 for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at [www.sbafla.com/prime](http://www.sbafla.com/prime).

The Board's investments in the Local Government Surplus Funds Trust Fund (Florida PRIME), which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2014, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.



**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

**Credit Risk**

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

As of September 30, 2014, the Board's investment in the Florida PRIME 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, 2014, is 39 days. Next interest rate reset for floating rate securities are used in the calculation of the WAM.

**Custodial Credit Risk**

At September 30, 2014, the Board did not hold any deposits or investments that were considered to have a custodial credit risk.

**Concentration of Credit Risk**

At September 30, 2014, the Board did not hold any investments that were considered to have a concentration of credit risk.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 4 - RESTRICTED ASSETS**

The General Fund's cash is restricted as follows:

	<b>Amount</b>
Technology Escrow	\$ 162,045
Sick leave buyback program	274,270
Total	\$ 436,315

The Transportation Trust Fund's cash is restricted for the sick leave buyback program in the amount of \$221,370.

The Nonmajor Governmental funds' cash is restricted for other programs in the amount of \$2,708,402.

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:

	<b>Amount</b>
Debt service	\$ 324,747
Investment extension and improvements	307,033
Total	\$ 631,780

**NOTE 5 - ACCOUNTS RECEIVABLE**

Accounts receivable of the Fire/Rescue Department are accounted for in the Board's General Fund. Accounts receivable in the Fire/Rescue Department totaled \$1,083,149 and are shown net of allowance for doubtful accounts of \$826,526. 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 \$340,149 from franchise fees and royalties related to private landfills.

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

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 6 - INTERFUND BALANCES**

Interfund balances at September 30, 2014 consisted of the following:

**Due to/from Other Funds:**

<b>Receivable Fund</b>	<b>Payable Fund</b>	
General fund	Utility Fee fund	\$ 1,328,000
	Nonmajor governmental funds:	
	Other special revenue funds	125,022
	Proprietary funds:	
	Parks and Recreation	12,422
	Jackson Water/Sewer	15
Fines and Forfeiture	Road Construction	762,240
	Nonmajor governmental funds:	
	Other special revenue funds	3,795
Transportation Trust	Local Option Gas Tax	1,323,429
	General fund	410,989
Local Option Gas Tax	General fund	697,830
Utility Fee Fund	Fines and Forfeiture	733,431
Road Construction	Transportation Trust	1,856,877
	General fund	158,862
	Nonmajor governmental funds:	
	Other special revenue funds	5,414
Jackson Water/Sewer	General fund	157
Nonmajor governmental funds	General fund	120,918
	Proprietary funds:	
	Jackson Recycling	10
	Other special revenue funds	18,048
<b>Total</b>		<b>\$ 7,557,459</b>

The 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. Amounts are generally repaid during the next fiscal year.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

The general fund and fines and forfeitures have amounts due 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.

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
Board		
General fund	\$ 55,757	\$ -
Fine and forfeiture	28,546	-
Constitutional officers		
Clerk of Courts	-	(50,642)
Tax Collector	-	(304)
Supervisor of Elections	-	(4,811)
Property Appraiser	-	-
Sheriff	-	(28,546)
<b>Total</b>	<b>\$ 84,303</b>	<b>\$ (84,303)</b>

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

Interfund transfers for the year ended September 30, 2014, consisted of the following:

Transfers to General Fund from:		
Utility Fee fund	\$ 3,050,000	
Nonmajor Governmental fund	20,699	
Total		\$ 3,070,699
Transfers to Fines and Forfeiture from:		
Constitutional officer - Sheriff	28,546	
Nonmajor Governmental fund	108,802	
Total		137,348
Transfers to Transportation Trust from:		
Local Option Gas Tax	2,011,189	
General fund	1,819,414	
Total		3,830,603
Transfers to Local Option Gas Tax:		
General fund		250,000
Transfers to Road Construction from:		
Transportation Trust	749,383	
Nonmajor Governmental funds	5,414	
Total		754,797
Transfers to Nonmajor Governmental Funds from:		
General fund	292,066	
Nonmajor Governmental funds	419,177	
Total		711,243
Subtotal		8,754,690
Transfers to Proprietary funds from:		
General fund		193,947
Total interfund transfers		\$ 8,948,637

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

Transfers are used to (1) 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 another fund, (3) use local option gas tax to cover road and bridge operating expenses, (4) transfer fiscally constrained revenue to fund road raving 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 funds, (7) use unrestricted general fund revenues and nonmajor governmental revenues to finance debt service and operating expenses that are accounted for in the proprietary funds.

The Board provides funding for the constitutional officers whose financial statements are not included with the Board's statements. Excess fees from the constitutional officers are netted against the transfers out. The following schedule shows the net transfers to and from the constitutional officers.

Interfund transfers to/from Constitutional Officers for the year ended September 30, 2014, consisted of the following:

	<b>Amount</b>
Clerk of Courts	\$ 454,750
Supervisor of Elections	482,099
Tax Collector	671,448
Property Appraiser	908,117
Sheriff	4,468,288
<b>Total</b>	<b>\$ 6,984,702</b>

**NOTE 7 - DUE FROM OTHER GOVERNMENTS**

Due from other governments consists of funds earned as of September 30, 2014, but not yet received by the Board. The majority of these amounts were received in October and November 2014.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 8 - CAPITAL ASSETS**

The Board's governmental capital assets are reported in the statement of net position in the County's financial statements.

Capital asset activity for the year ended September 30, 2014, was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 2,538,157	\$ 93,189	\$ -	\$ 2,631,346
Construction in progress	833,643	2,500,605	1,346,083	1,988,165
<b>Total capital assets, not being depreciated</b>	<b>3,371,800</b>	<b>2,593,794</b>	<b>1,346,083</b>	<b>4,619,511</b>
Capital assets, being depreciated:				
Buildings and improvements	33,421,691	1,494,934	-	34,916,625
Equipment	13,877,421	666,642	691,370	13,852,693
Roads	45,978,501	-	-	45,978,501
Infrastructure - Sidewalks	1,099,712	-	-	1,099,712
<b>Total capital assets, being depreciated</b>	<b>94,377,325</b>	<b>2,161,576</b>	<b>691,370</b>	<b>95,847,531</b>
Less: Total accumulated depreciation	34,928,612	3,800,894	691,370	38,038,136
<b>Total capital assets, being depreciated, net</b>	<b>59,448,713</b>	<b>(1,639,318)</b>	<b>-</b>	<b>57,809,395</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 62,820,513</b>	<b>\$ 954,476</b>	<b>\$ 1,346,083</b>	<b>\$ 62,428,906</b>

Jackson County, Florida  
Board of County Commissioners  
Notes to Special-Purpose Financial Statements

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

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land and improvements	\$ 21,145	\$ -	\$ -	\$ 21,145
Total capital assets, not being depreciated	21,145	-	-	21,145
Capital assets, being depreciated:				
Equipment	15,331,091	9,643	-	15,340,734
Total capital assets, being depreciated	15,331,091	9,643	-	15,340,734
Less: Total accumulated depreciation	3,609,727	365,870	-	3,975,597
Total capital assets, being depreciated, net	11,721,364	(356,227)	-	11,365,137
Business-type activities capital assets, net	\$ 11,742,509	\$ (356,227)	\$ -	\$ 11,386,282

The Board's depreciation expenses for governmental activities are reported in the statement of activities in the County's financial statements. Depreciation expense was charged to functions/programs of the County as follows:

<b>Governmental activities:</b>	
General government	\$ 217,853
Public safety	538,045
Transportation	2,396,101
Economic environment	5,705
Culture and recreation	143,562
Human services	425,980
Court related	73,648
Total depreciation expense-governmental activities	\$ 3,800,894

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

**Business-type activities:**

Water and Sewer	\$		282,328	
Recycling			17,098	
Parks and recreation			66,444	
<hr/>				
Total depreciation expense-business-type activities	\$		365,870	
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**NOTE 9 - LONG-TERM LIABILITIES**

The Board's long-term debt activity is reported in the statement of net position in the County's financial statements.

Long-term debt activity for the year ended September 30, 2014, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
<hr/>					
Governmental activities:					
Revenue bonds	\$ 7,347,111	\$ -	\$ 940,647	\$ 6,406,464	\$ 974,815
Notes payable	454,000	-	46,000	408,000	48,000
Compensated absences	698,405	-	126,745	571,660	-
Landfill closure and post-closure costs	292,161	-	-	292,161	83,581
<hr/>					
Total Governmental activities:	8,791,677	-	1,113,392	7,678,285	1,106,396
<hr/>					
Business-type activities:					
Revenue bonds	4,563,000	-	80,000	4,483,000	84,000
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Total	\$ 13,354,677	\$ -	\$ 1,193,392	\$ 12,161,285	\$ 1,190,396
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Payments on the notes, leases payable, and sales tax revenue bonds that pertain to the Board's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

Debt service requirements on long-term debt at September 30, 2014 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	Governmental Activities			
	REVENUE BONDS		NOTES PAYABLE	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2015	\$ 974,815	\$ 225,044	\$ 48,000	\$ 7,834
2016	1,010,225	189,637	48,000	6,854
2017	1,046,920	151,940	49,000	5,865
2018	1,084,948	113,384	51,000	4,845
2019	1,124,358	73,429	51,000	3,805
2020-2024	1,165,198	32,080	161,000	4,968
<b>Total</b>	<b>\$ 6,406,464</b>	<b>\$ 785,514</b>	<b>\$ 408,000</b>	<b>\$ 34,171</b>

FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES	
	REVENUE BONDS	
	PRINCIPAL	INTEREST
2015	\$ 84,000	\$ 201,048
2016	87,000	197,256
2017	91,000	193,330
2018	95,000	189,225
2019	99,000	184,938
2020-2024	566,000	853,445
2025-2029	708,000	713,371
2030-2034	882,000	538,481
2035-2039	1,004,000	320,505
2040-2044	392,000	156,800
2045-2049	475,000	63,219
<b>Total</b>	<b>\$ 4,483,000</b>	<b>\$ 3,611,618</b>

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

**Governmental activities**

**Revenue Bonds**

\$10,080,000, Gas Tax Revenue Bonds, Series 2010, payable in semi-annual installments of \$426,350 to \$587,796 through 2020, interest at 3.6%. Collateralized by pledged revenue generated from certain gas tax revenues. \$ 6,406,464

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Total revenue bonds \$ 6,406,464

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**Notes Payable**

\$500,000, Series 2012 Note, payable in semi-annual installments of \$54,793 to \$55,845 through 2021, interest at 2.04%. Collateralized by pledged revenue generated from certain gas tax revenues. \$ 408,000

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Total revenue bonds \$ 408,000

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**Compensated Absences**

All full time employees of the Board are entitled to an annual vacation and sick leave with pay. The employees are generally allowed to accumulate vacation leave of 280 hours. Upon termination the employee is paid 25% of accumulated sick leave up to 480, if the employee has 10 years or more of service to the Board. Vacation pay and sick leave payments are included in operating costs when the payments are made to the employees. The estimated commitment for annual leave at September 30, 2014 was \$571,660.

Long-term landfill closure and post-closure liability – this obligation relates to long-term landfill post-closure costs. See also Note 15.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

**Business-type activities**

**Revenue Bonds**

<p>\$1,500,000, Water and Sewer Revenue Bonds, Series 1999B, payable in annual installments of \$65,625 to \$82,188 through 2039, interest at 4.375%. Collateralized by pledged revenue derived from the operation of the system.</p>	<p>\$ 1,227,000</p>
<p>\$2,014,000, Water and Sewer Revenue Bonds, Series 2009, payable in annual installments of \$22,000 to \$101,000 through 2049, interest at 4.375%. Collateralized by pledged revenue derived from the operation of the system.</p>	<p>1,945,000</p>
<p>\$1,618,000, Water and Sewer Revenue Bonds, Series 1999A, payable in annual installments of \$76,855 to \$90,085 through 2038, interest at 4.750%. Collateralized by pledged revenue derived from the operation of the system.</p>	<p>1,311,000</p>
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<p>Total revenue bonds</p>	<p><u>\$ 4,483,000</u></p>

**NOTE 10 - RISK MANAGEMENT**

The Board 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 Board 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

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 11 - EMPLOYEE BENEFITS**

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

For those employees hired prior to July 1, 2011, FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after six years of service and attaining age 62, or 30 years of service regardless of age. Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. For those employees hired on or after July 1, 2011, the System provides for vesting of benefits after eight years of creditable service. Normal retirement benefits are available to these employees who retire at or after age 65 with eight years of service with a 5% reduction of benefits for each year prior to normal retirement. FRS also provides death and disability benefits and cost-of-living adjustments. Generally, membership is compulsory for all full-time and part-time employees. Prior to July 1, 2011, retirement coverage was employee noncontributory. Effective July 1, 2011 the Florida Legislature mandated all employees contribute 3% to their retirement coverage with immediate vesting of their contributions.

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

	<b>10/01/2013 - 06/30/2014</b>	<b>07/01/2014 - 09/30/2014</b>
Regular class	6.95%	7.37%
Senior management	18.31%	21.14%
Elected county officials' class	33.03%	43.24%
Special risk class	19.06%	19.82%
DROP program participants	12.84%	12.28%

Total payroll for the Board employees covered by the System was \$7,496,881 for the year ended September 30, 2014.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

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

The Board's contributions to the Plan for the years ended September 30, 2014, 2013 and 2012 were \$918,161, \$669,121, and \$582,390 respectively, which equal the required contributions. For the year ended September 30, 2014, retirement contributions represent 12.25% of the Board's total covered payroll.

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

The Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution plan qualified under Section 401 (a) of the Internal Revenue Code. The FRS Investment Plan is administered by the Department of Management Services and is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. Chapter 121, Florida Statutes, establishes the authority for benefit provisions and contribution requirements. Changes to the law can only occur through an act of the Florida Legislature. There are uniform contribution rates as discussed on the preceding page that cover both the defined benefit and defined contribution plans.

**NOTE 12 - GRANTS**

The Board 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, 2014, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the Board'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 Board expects such amounts, if any, to be immaterial.

**NOTE 13 - FUND EQUITY**

Spendable fund balances are classified based on a hierarchy of the Board'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 ending September 30, 2014, the Board reports net position as restricted. Restricted net position has externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed net position has amounts constrained by a specific purpose by the Board of County Commissioners. Assigned net position has constraints placed on the use of resources by the Board'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.

Jackson County, Florida  
Board of County Commissioners  
Notes to Special-Purpose Financial Statements

**NOTE 13 - FUND EQUITY (CONTINUED)**

At September 30, 2014, fund balance is comprised of the following:

**Restricted Fund Balance:**

Funds	Purpose		
General Fund	Funding for:		
	Building Department	\$ 42,282	
	Vessel fees	100,217	
	Tax Deeds	104,729	
	<b>Total general fund</b>		<b>\$ 247,228</b>
Special Revenue Fund	Nonmajor governmental funds		
	Law Library	25,293	
	Local Law Enforcement	126,933	
	Drug Court	28,492	
	Contraband forfeitures	14,195	
	Crime prevention	84,538	
	Courts facility fund	1,527,780	
	Court construction improvement	49,375	
	Inmate Welfare Fund	209,168	
	Additional court costs	322,433	
	<b>Total nonmajor governmental funds</b>		<b>2,388,207</b>
	<b>Total restricted fund balance</b>		<b>\$ 2,635,435</b>

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 13 - FUND EQUITY (CONTINUED)**

**Committed Fund Balance:**

Funds	Purpose		
General Fund	Funding for:		
	Sick Leave	\$ 274,270	
	Prior year Improvements	223,086	
	<hr/>		
	Total general fund		\$ 497,356
Special Revenue Fund	Funding for:		
	Transportation Trust		221,370
	Nonmajor governmental funds		
	Compass Lake MSTU	292,286	
	Jackson County Economic Recovery	20,787	
	West Jackson County Dev. Authority	261,961	
	<hr/>		
	Total nonmajor governmental funds		575,034
	<hr/>		
	Total committed fund balance		<u><u>\$ 1,293,760</u></u>

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 13 - FUND EQUITY (CONTINUED)**

**Assigned Fund Balance:**

Funds	Purpose	
General Fund	Funding for:	
	Administration Building Fund	\$ 1,122,616
	Technology Escrow	124,886
	Library Donations	29,791
	<hr/>	
	Total general fund	\$ 1,277,293
Special Revenue Fund	Funding for:	
	Fines and Forfeitures	121,653
	Transportation Trust	731,340
	Local Option Gas Tax	850,787
	Road Construction	2,004,420
	Utility Fee fund	283,100
	Nonmajor governmental funds	
	JCDC Tax	1,640,068
	Jackson County Ag Complex	183,501
	Other Debt Service	101,157
	E911	114,133
	Russ House	94,297
	Sheriff Aviation Fund	19,109
	Emergency Management Grant	1,000
	Crime Prevention	442
	Solid Waste Recycling Grant	404
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	Total nonmajor governmental funds	2,154,111
	<hr/>	
	Total assigned fund balance	<u>\$ 7,422,704</u>

**NOTE 14 - LITIGATION AND CONTINGENT LIABILITIES**

The Board 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 Board's financial position.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 15 - 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 16.

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, 2014, the amount of \$292,161 in long-term debt recognizes the remaining year of long-term care period. The above estimate is based on current prices; actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**NOTE 16 - COMMITMENTS AND CONTINGENCIES**

**Contractual Commitments**

At September 30, 2014, 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, 2014:

LAP - CR 162	\$ 1,521,074
SCOP - CR 69A	\$ 2,561,345
SCOP - Ellaville	\$ 1,093,531

**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 \$580,226 and \$97,539 over ten years.

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

Jones, Edmunds & Assoc. have 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 and approved by the County. The landfill gas system was installed in 2010 with additional gas extraction wells installed in 2013. Since system installation the landfill gas in the waste has decreased.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 16 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Jackson County East Landfill – Remedial Action Plan (Continued)**

In addition to the landfill gas system, part of the contamination remediation was to install replacement 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 2 wells per year for 3 years.

- The 1<sup>st</sup> year well installations were completed in 2012.
- The 2<sup>nd</sup> year well installations were completed in 2013.
- The 3<sup>rd</sup> year well installations will be completed in 2014.

Due to the contamination, FDEP is requiring continued groundwater monitoring past the end of long-term care at the landfill. 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 6 on-site groundwater wells.
- Quarterly landfill gas monitoring and trend analyses showing that the gas extraction system is working.

**NOTE 17 - RECLASSIFICATION**

Certain 2013 amounts have been reclassified to conform with 2014 classifications. Such reclassification had no effect on reported excess (deficiency) of revenues over (under) expenditures.

**NOTE 18 - SUBSEQUENT EVENTS**

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

Subsequent to year end, the Board has entered into contracts for various construction projects totaling in excess of \$4.9 million.

**Russ House**

During the current fiscal year, the County and the City of Marianna jointly purchased the Russ House property. The County's portion of the purchase price was \$174,546. These funds were deposited in the Russ House Account and will be utilized to maintain and repair the Russ House. As of September 30, 2014 the necessary repairs have not been made.

**Revenue Bonds**

Subsequent to year end, the board refunded the Gas Tax Bonds, Series 2010 and issued Gas Tax Bonds, Series 2014 in the amount of \$9,981,000. The proceeds were used to refund the Series 2010 Bonds and provided \$3,900,000 in additional new paving funds.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 18 - SUBSEQUENT EVENTS (CONTINUED)**

**Equipment Purchases**

Subsequent to year end, the Board purchased various fixed assets including ambulances, an excavator, vehicles and other equipment costing approximately \$968,000.

**NOTE 19 - 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 provided, 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 Board's plan becomes secondary.

Jackson County, Florida  
Board of County Commissioners  
Notes to Special-Purpose Financial Statements

**NOTE 19 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)**

**Membership** – At September 30, 2014, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	338
Retirees and beneficiaries currently receiving benefits	19
<u>Total membership</u>	<u>357</u>
<u>Participating employers</u>	<u>1</u>

**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 2014 was \$137,994. The Board contributes the remainder to cover the costs of providing the benefits to the retirees.

**Annual OPEB and Net OPEB Obligation** – The Board’s annual other post employment benefit (OPEB) cost (expenses) is calculated based on the annual required contribution of the employer (the “ARC”) actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a closed period not to exceed 15 years. The following shows the components of the Board’s net OPEB obligation:

September 30,	2014
Annual required contribution	\$ 343,000
Interest on prior year net OPEB obligation	43,000
<u>Adjustments to annual required contribution</u>	<u>(81,000)</u>
Annual OPEB costs	305,000
<u>Estimated employer contribution made</u>	<u>(133,000)</u>
Increase (decrease) in net OPEB obligation	172,000
<u>Net OPEB obligation, beginning of year</u>	<u>1,076,000</u>
<u>Estimated net OPEB obligation, end of year</u>	<u>\$ 1,248,000</u>

**Jackson County, Florida**  
**Board of County Commissioners**  
**Notes to Special-Purpose Financial Statements**

**NOTE 19 - POST EMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)**

**Funded Status and Funding Progress** – As of September 30, 2014, the actuarial accrued liability of \$2,326,000 was unfunded. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARC's of employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements in the government-wide financial statements of Jackson County, Florida, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Method and Assumptions** – The valuation dated October 1, 2012, for the fiscal date of October 1, 2012 to September 30, 2013, was prepared using generally accepted accrual principles and practices, and relied on unaudited census data and medical claims data reported by the Board. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumption included a 4.0% investment rate of return. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized over 15 years assuming 5 annual level payments. The remaining amortization period at September 30, 2014 was 15 years.



**SUPPLEMENTARY INFORMATION**

Page 1 of 2  
**Jackson County, Florida**  
**Board of County Commissioners**  
**Combining Special-Purpose Balance Sheet**  
**Nonmajor Governmental Funds**

September 30, 2014

	Special Revenue Funds				
	Gas Tax Bond Series 2010	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ 125,429	\$ 656,570	\$ -	\$ 1,605,951
Restricted cash and cash equivalents	5,414	-	-	1,516,140	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	26,300	10,014	-	-
Due from other governmental units	-	13,410	-	23,320	42,168
<b>Total assets</b>	<b>\$ 5,414</b>	<b>\$ 165,139</b>	<b>\$ 666,584</b>	<b>\$ 1,539,460</b>	<b>\$ 1,648,119</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ -	\$ 48,352	\$ 160	\$ 11,680	\$ 8,012
Due to other funds	5,414	-	-	-	39
Due to other governmental units	-	-	-	-	-
Deferred revenue	-	2,654	666,424	-	-
<b>Total liabilities</b>	<b>5,414</b>	<b>51,006</b>	<b>666,584</b>	<b>11,680</b>	<b>8,051</b>
<b>Fund balances</b>					
Restricted	-	-	-	1,527,780	-
Committed	-	-	-	-	-
Assigned	-	114,133	-	-	1,640,068
<b>Total fund balances</b>	<b>-</b>	<b>114,133</b>	<b>-</b>	<b>1,527,780</b>	<b>1,640,068</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,414</b>	<b>\$ 165,139</b>	<b>\$ 666,584</b>	<b>\$ 1,539,460</b>	<b>\$ 1,648,119</b>

Page 2 of 2  
 Jackson County, Florida  
 Board of County Commissioners  
 Combining Special-Purpose Balance Sheet  
 Nonmajor Governmental Funds

September 30, 2014

	Special Revenue Funds			Debt Service Funds		Total Non-Major Governmental Funds
	MSTU	Inmate Welfare Fund	Other Special Revenue Funds	Other Debt Service		
<b>Assets</b>						
Cash and cash equivalents	\$ 224,658	\$ -	\$ 1,085,909	\$ 101,157		\$ 3,799,674
Restricted cash and cash equivalents	-	205,469	981,379	-		2,708,402
Accounts receivable	67,628	7,495	5,948	-		81,071
Due from other funds	-	-	102,662	-		138,976
Due from other governmental units	-	-	133,840	-		212,738
<b>Total assets</b>	<b>\$ 292,286</b>	<b>\$ 212,964</b>	<b>\$ 2,309,738</b>	<b>\$ 101,157</b>		<b>\$ 6,940,861</b>
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ -	\$ -	\$ 594,781	\$ -		\$ 662,985
Due to other funds	-	3,796	143,030	-		152,279
Due to other governmental units	-	-	220,957	-		220,957
Deferred revenue	-	-	118,210	-		787,288
<b>Total liabilities</b>	<b>-</b>	<b>3,796</b>	<b>1,076,978</b>	<b>-</b>		<b>1,823,509</b>
<b>Fund balances</b>						
Restricted	-	209,168	651,259	-		2,388,207
Committed	292,286	-	282,748	-		575,034
Assigned	-	-	298,753	101,157		2,154,111
<b>Total fund balances</b>	<b>292,286</b>	<b>209,168</b>	<b>1,232,760</b>	<b>101,157</b>		<b>5,117,352</b>
<b>Total liabilities and fund balances</b>	<b>\$ 292,286</b>	<b>\$ 212,964</b>	<b>\$ 2,309,738</b>	<b>\$ 101,157</b>		<b>\$ 6,940,861</b>

Page 1 of 2  
**Jackson County, Florida**  
**Board of County Commissioners**  
**Combining Special-Purpose Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**

*For the year ended September 30, 2014*

	Special Revenue Funds				
	Gas Tax Bond Series 2010	E911	Local Housing Assistance Trust (SHIP)	Courthouse Facility Fund	Jackson County Tourist Development Tax
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	282,932
Intergovernmental	-	-	-	-	3,171
Charges for services	-	165,790	-	265,838	-
Fines and forfeitures	-	-	-	-	-
Grants	-	51,609	76,114	-	-
Investment earnings	1	57	44	638	10,113
Other fees and miscellaneous revenues	-	151	-	-	5,972
<b>Total revenues</b>	<b>1</b>	<b>217,607</b>	<b>76,158</b>	<b>266,476</b>	<b>302,188</b>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public health and safety	-	243,907	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	-	-	76,157	-	170,926
Human services	-	-	-	-	-
Culture/recreation	-	-	-	-	-
Court related	-	-	-	20,819	-
Capital outlay	-	-	-	40,791	-
<b>Total expenditures</b>	<b>-</b>	<b>243,907</b>	<b>76,157</b>	<b>61,610</b>	<b>170,926</b>
Excess (deficiency) of revenues over (under) expenditures	1	(26,300)	1	204,866	131,262
<b>Other financing sources (uses)</b>					
Transfers in	-	26,300	-	-	-
Transfers out	(5,414)	-	-	(64,887)	(174,546)
<b>Net other financing sources (uses)</b>	<b>(5,414)</b>	<b>26,300</b>	<b>-</b>	<b>(64,887)</b>	<b>(174,546)</b>
<b>Net change in fund balances</b>	<b>(5,413)</b>	<b>-</b>	<b>1</b>	<b>139,979</b>	<b>(43,284)</b>
<b>Fund balances - beginning</b>	<b>5,413</b>	<b>114,133</b>	<b>(1)</b>	<b>1,387,801</b>	<b>1,683,352</b>
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ 114,133</b>	<b>\$ -</b>	<b>\$ 1,527,780</b>	<b>\$ 1,640,068</b>

Jackson County, Florida  
Board of County Commissioners  
Combining Special-Purpose Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds

For the year ended September 30, 2014

	Special Revenue Funds			Debt Service Funds	Total Non-Major Governmental Funds
	MSTU	Inmate Welfare Fund	Other Special Revenue Funds	Other Debt Service Funds	
<b>Revenues</b>					
Taxes	\$ 735,591	\$ -	\$ -	\$ -	\$ 1,018,523
Intergovernmental	-	-	8,500	-	11,671
Charges for services	-	94,083	149,626	-	675,337
Fines and forfeitures	-	-	50,825	-	50,825
Grants	-	-	471,157	-	598,880
Investment earnings	131	-	706	72	11,762
Other fees and miscellaneous revenues	-	312	154,932	-	161,367
<b>Total revenues</b>	<b>735,722</b>	<b>94,395</b>	<b>835,746</b>	<b>72</b>	<b>2,528,365</b>
<b>Expenditures</b>					
Current:					
General government	186,525	-	69,482	2	256,009
Public health and safety	66,890	69,450	348,440	-	728,687
Physical environment	-	-	91,289	-	91,289
Transportation	350,020	-	-	-	350,020
Economic environment	-	-	1,488	-	248,571
Human services	-	-	43,296	-	43,296
Culture/recreation	244,886	-	342,819	-	587,705
Court related	-	-	153,963	-	174,782
Capital outlay	-	-	258,342	-	299,133
<b>Total expenditures</b>	<b>848,321</b>	<b>69,450</b>	<b>1,309,119</b>	<b>2</b>	<b>2,779,492</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(112,599)</b>	<b>24,945</b>	<b>(473,373)</b>	<b>70</b>	<b>(251,127)</b>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	684,943	-	711,243
Transfers out	-	(43,915)	(265,330)	-	(554,092)
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>(43,915)</b>	<b>419,613</b>	<b>-</b>	<b>157,151</b>
<b>Net change in fund balances</b>	<b>(112,599)</b>	<b>(18,970)</b>	<b>(53,760)</b>	<b>70</b>	<b>(93,976)</b>
<b>Fund balances - beginning</b>	<b>404,885</b>	<b>228,138</b>	<b>1,286,520</b>	<b>101,087</b>	<b>5,211,328</b>
<b>Fund balances - ending</b>	<b>\$ 292,286</b>	<b>\$ 209,168</b>	<b>\$ 1,232,760</b>	<b>\$ 101,157</b>	<b>\$ 5,117,352</b>

**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  
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, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Florida, Board of County Commissioners (the "Board"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated June 11, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 Board of County Commissioners  
of Jackson County, Florida  
Marianna, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board'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*.

### **The Board's Response to Findings**

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

### **Purpose of this Report**

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

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

June 11, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

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

We have audited Jackson County, Florida, Board of County Commissioner's (the "Board") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Chapter 10.550, State of Florida Rules of the Auditor General (Auditor General) that could have a direct and material effect on each of the Board's major federal programs and state projects for the year ended September 30, 2014. The Board'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Board's major federal programs and major 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project occurred. An audit includes examining, on a test basis, evidence about the Board'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 Board's compliance.

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

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

In our opinion, the Board, 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, 2014.

**Report on Internal Control Over Compliance**

Management of the Board, 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 Board'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 OMB Circular A-133 and 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 Board'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, material weaknesses may exist that have not been identified.

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 OMB Circular A-133 and 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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

June 11, 2015

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

*For the year ended September 30, 2014*

Federal Agency Pass through entity Federal Program	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
<b>US Department of Homeland Security</b>			
<b>Pass through Florida Executive Office of Governor</b>			
Homeland Security Grant Program - Cert Grant	97.067	12-CI-24-02-41-01-481	\$ 2,023
Homeland Security Grant Program - Citizen Corp	97.067	12-CC-24-01-41-01-438	2,135
Homeland Security Grant Program	97.067	14-DS-L5-01-41-01-391	13,674
			17,832
<b>Pass through Florida Executive Office of Governor</b>			
Emergency Management Performance Grants FY 13-14	97.042	14-FG-1M-02-41-01-032	37,827
Emergency Management Performance Grants FY 14-15	97.042	15-FG-4D-02-41-01-099	12,722
			50,549
<b>Pass through Florida Executive Office of Governor</b>			
Disaster Grants - Public Assistance (Presidentially Declared Disaster) FEMA DR4177	97.036	15-SP-82-02-42-02-526	366,725
<b>Total US Department of Homeland Security</b>			<b>435,106</b>
<b>US Department of the Interior, Office of Fish and Wildlife Services</b>			
<b>Pass through Florida Fish and Wildlife Commission</b>			
Sport Fish Program - Florida Boating Improvement	15.605	FL-F-F13AP01253	61,225
<b>Total US Department of the Interior, Office of Fish and Wildlife Services</b>			<b>61,225</b>
<b>US Department of Transportation, Federal Highway Administration</b>			
<b>Pass through Florida Department of Transportation</b>			
Highway Planning and Construction (LAP) Reddoch Road	20.205	AQ036	1,208,629
Highway Planning and Construction (LAP) Panhandle Pelt Sidewalk Design	20.205	AQX09	23,900
Highway Planning and Construction (LAP) CR 162	20.205	AR500	282,493
<b>Total US Department of Transportation, Federal Highway Administration</b>			<b>1,515,022</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,011,353</b>

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

*For the year ended September 30, 2014*

State Agency State Program Title State Financial Assistance Projects	CFDA/ CSFA Number	Grant/ Contract Number	Expenditures
<b>Florida Department of Transportation</b>			
<b>Transportation Systems Operations Program</b>			
Small County Outreach Program (SCOP) - Ellaville	55.009	AR442	\$ 125,720
Small County Outreach Program (SCOP) - CR 69A	55.009	AR441	204,440
<b>Total Florida Department of Transportation</b>			<b>330,160</b>
<b>Florida Housing Finance Corporation</b>			
<b>Florida Housing Finance Corporation</b>			
State Housing Initiatives Partnership Program (SHIP)	52.901	n/a	76,114
<b>Total Florida Housing Finance Corporation</b>			<b>76,114</b>
<b>Florida Department of Environmental Protection</b>			
<b>Waste Management</b>			
Small County Consolidated Grant	37.012	418SC	88,670
<b>Total Florida Department of Environmental Protection</b>			<b>88,670</b>
<b>Florida Department of State and Secretary of State</b>			
<b>Library and Information Services</b>			
State Aid to Libraries	45.030	14-ST-69	160,956
<b>Total Florida Department of State and Secretary of State</b>			<b>160,956</b>
<b>Florida Executive Office of the Governor</b>			
<b>Division of Emergency Management</b>			
Emergency Management Projects - Florida Hazardous Materials			
Planning and Prevention	31.067	14-CP-11-02-41-01-353	2,620
Emergency Management Program - FEMA DR 4177 (2014 Spring Flood)	31.063	15-SP-82-02-42-02-526	122,241
Emergency Management Program - Emergency Management Assistance (EMPA)	31.063	14-BG-83-02-41-01-032	82,725
Emergency Management Program - Emergency Management Assistance (EMPA)	31.063	15-BG-83-02-41-01-032	21,294
<b>Total Emergency Management Program</b>			<b>226,260</b>
<b>Total Florida Executive Office of the Governor</b>			<b>228,880</b>
<b>Florida Department of Health</b>			
<b>Emergency Medical Services</b>			
County Grant Awards	64.005	C1032	7,421
County Grant Awards	64.005	C2032	14,768
			22,189
<b>Emergency Medical Services</b>			
EMS Matching Grant	64.003	M2096	17,680
<b>Total Florida Department of Health</b>			<b>39,869</b>

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

**Florida Department of Agriculture & Consumer Services**

**Consumer Protection Program**

Mosquito Control	42.003	18787	18,500
Mosquito Control	42.003	20295	5,974
<b>Total Florida Department of Agriculture &amp; Consumer Services</b>			<b>24,474</b>

**Florida Department of Management Services**

**Technology Program**

Wireless 911 Emergency Telephone System - Spring Maintenance	72.001	13-4-13	2,159
Wireless 911 Emergency Telephone System - Spring Maintenance	72.001	14-4-14	49,450
<b>Total Florida Department of Management Services</b>			<b>51,609</b>

**Florida Department of Economic Opportunity**

**Bureau of Economic Development**

Rural Infrastructure Fund	40.013	D0041	178,943
<b>Total Florida Department of Economic Opportunity</b>			<b>178,943</b>

<b>Total Expenditures of State Financial Assistance</b>			<b>1,179,675</b>
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<b>Total Federal Awards and State Financial Assistance</b>			<b>\$ 3,191,028</b>
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**Jackson County, Florida  
Board of County Commissioners  
Notes to Schedule of Expenditures of Federal Awards  
And State Financial Assistance  
For the year ended September 30, 2014**

**NOTE 1 - BASIS OF ACCOUNTING**

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activity of Jackson County Board of County Commissioners (the "Board"). 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 OMB Circular A-133 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 Board for purposes of the supplementary Schedule of Expenditures of State Financial Assistance Projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

**NOTE 3 – PASS-THROUGH AWARDS**

The Board 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 and state financial assistance.

**Jackson County, Florida**  
**Board of County Commissioners**  
**Schedule of Findings and Questioned Costs**  
**For the year ended September 30, 2014**

**A. SUMMARY OF AUDIT RESULTS**

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of Jackson County, Florida, Board of County Commissioners (the Board).
2. No instances of significant deficiencies or material weaknesses to the financial statements of the Board were disclosed during the audit.
3. We noted no instances of noncompliance material to the financial statements of the Board during the audit.
4. No significant deficiencies relating to the audit of the major federal programs and state projects are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General.
5. The Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General for Jackson County, Florida expresses an unmodified opinion.
6. No audit findings relative to the major federal awards and state financial assistance projects for the Board are reported in this schedule.

7. The programs/projects tested as major programs/projects included the following:

<b>Federal Program</b>	<b>CFDA No.</b>
US Department of Homeland Security Disaster Grants – Public Assistance (Presidentially Declared Disaster) FEMA DR4177	97.036
US Department of Transportation, Federal Highway Administration Highway Planning and Construction	20.205
<b>State Projects</b>	<b>CSFA No.</b>
Florida Department of Transportation Small County Outreach Program (SCOP)	55.009
Florida Executive Office of the Governor Division of Emergency Management	31.067
Division of Emergency Management	31.063
Florida Department of Economic Opportunity Bureau of Economic Development – Rural Infrastructure Fund	40.013



**Jackson County, Florida  
Board of County Commissioners  
Schedule of Findings and Questioned Costs  
For the year ended September 30, 2014**

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

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

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

There were no current year audit findings.

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

There were no current year audit findings.



**Jackson County, Florida  
Board of County Commissioners  
Summary Schedule of Prior Year Audit Findings  
For the year ended September 30, 2014**

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

**FINANCIAL STATEMENT AUDIT**

**INFORMATION TECHNOLOGY SEGREGATION OF DUTIES, FINDING 12-01 – RESOLVED**

**COMMENT:** Separation of accounting and administrative functions performed by the information technology administrator is recommended as an effective internal control procedure. The Finance information technology administrator occasionally performs the payroll function and the cash receipt function. As the administrator, she also has access to the entire financial system.

**RECOMMENDATION:** We recommend that the information technology administrator have no duties that require her to participate in the financial accounting function of the Board.

**STATUS:** During the current year, this item has been corrected. The current IT administrator does not perform payroll and cash receipt functions.

## INDEPENDENT AUDITORS' MANAGEMENT LETTER

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

We have audited the financial statements of Jackson County, Florida, Board of County Commissioners (the "Board") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated June 11, 2015.

### **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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General.

### **Other Reports and Schedules**

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 OMB A-133 and Chapter 10.550 Rules of the Florida Auditor General; Schedule of Findings and Questioned Costs; Independent Accountants' Report on Compliance with Section 218.415, Florida statutes, *Local Government Investment Policies*; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Profession Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 11, 2015, 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 "Prior Year Findings and Recommendations."

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

#### **PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

**COMMENT ML 06-01:** We noted that the individual responsible for the receipt of payments in the Fire and Rescue Department also is responsible for the posting of payments and charges to the accounts receivable ledger. In addition, this individual also is responsible for the mailing of the statements.

RECOMMENDATION: We recommend that a segregation of duties be established.

STATUS: This item has not been corrected.

**COMMENT ML 06-02:** We noted that the Board has not adopted written policies and procedures governing the accounting or administration of its grant programs.

RECOMMENDATION: We recommend the adoption of written policies and procedures which would standardize grant administration among the various departments and ensure that all compliance requirements are addressed on a timely basis.

STATUS: This item has not been corrected.

**COMMENT ML 06-03:** It was noted that the Board does not have a policy covering travel reimbursement when an employee with a county vehicle elects to use their personal car for trips to allow their spouse to accompany them.

RECOMMENDATION: We recommend the Board develop a written policy that addresses the reimbursement of personal car use for Board travel when a Board automobile is available.

STATUS: This item has not been corrected.

**COMMENT ML 06-04:** It was noted that the Board does not have a written cell phone or internet usage policy.

RECOMMENDATION: We recommend the Board develop written cell phone and internet usage policies that address of personal use of Board assets.

STATUS: This item has not been corrected.

To the Honorable Board of County Commissioners  
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. This information is disclosed in the notes to the financial statements.

### **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Board did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Board'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.

### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for Jackson County, Florida for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

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.

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

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 charges with governance. In connection with our audit, we have the following finding:

**COMMENT ML 14-01:** It was noted that the required information and online survey were not filed timely with the State of Florida Office of Economic and Demographic Research. This was required because the County contracts with Jackson County Development Council to perform economic development on behalf of the Count.

**RECOMMENDATION:** We recommend that the required information and online survey be filed timely.

#### **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 applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

June 11, 2015



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

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P.O. Box 1606  
Marianna, FL 32447

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**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, 2014. 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 and, accordingly, included examining, on a test basis, evidence about the Jackson County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. 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, 2014.

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

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

June 11, 2015

Jackson County, Florida  
Board of County Commissioners  
Management's Response



**BOARD of COUNTY COMMISSIONERS**

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

Administration Building  
2864 Madison Street  
Marianna, Florida 32448-4021

State of Florida  
Auditor General

We are in receipt of the audit report for the Board of County Commissioners, Jackson County, Florida, for the fiscal year ending September 30, 2014. 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 FINDING

COMMENT: It was noted that the required information and online survey were not filed timely with the State of Florida Office of Economic and Demographic Research. This was required because the County contracts with Jackson County Development Council to perform economic development on behalf of the County.

RESPONSE: The County was unaware of this requirement. We will work with the Jackson County Development Council to correct this deficiency.

PRIOR YEAR FINDINGS

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

RESPONSE: Currently, it is not feasible to properly separate the duties and functions of the Fire & Rescue Department. We will continue to monitor this situation to ensure all available controls are implemented.

COMMENT: We noted that the Board has not adopted written policies and procedures governing the accounting or administration of its grant programs.

Commissioners

Dr. Willie E. Spires  
District 1

Clint Pate  
District 2

Chuck Lockey  
District 3

Eric Hill  
District 4

Kenneth Stephens  
District 5

Ted Lakey, County Administrator

**Jackson County, Florida  
Board of County Commissioners  
Management's Response**

RESPONSE: The County is in the process of developing policies and procedures for grant programs.

COMMENT: It was noted that the County doesn't have a policy covering travel reimbursement when an employee with a county vehicle elects to use their personal car for trips to allow their spouse to accompany them.

RESPONSE: The County is in the process of reviewing and revising the personnel policy to address the reimbursement of personal car use for travel in lieu of a County vehicle.

COMMENT: It was noted that the County doesn't have a written cell phone or internet usage policy.

RESPONSE: The County is in the process of reviewing and revising the personnel policy to address the personal use of County assets.

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

Sincerely,



Kenneth Stephens  
Chairman